The Regional Politics of Welfare in Italy, Spain, and Great Britain

Assessing the Impact of Territorial and Left-Wing Mobilisations on the Development of 'Sub-State' Social Systems

Davide Vampa

Thesis submitted for assessment with a view to
obtaining the degree of Doctor of Political and Social Sciences
of the European University Institute

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European University Institute
Department of Political and Social Sciences

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ABSTRACT

In recent years, a number of European countries have undergone important processes of territorial reconfiguration in the administration and delivery of social services. This has produced substantial divergences in the levels and types of welfare development across regions belonging to the same country. As a result, it has become increasingly difficult to talk about 'national welfare systems' or 'national social models' – although most of the mainstream welfare literature continues to do so. The aim of this study is to explore the *political factors* that explain cross-regional variation in the development of health care and social assistance policies in three countries that have witnessed the gradual strengthening of regions as arenas of social policy making: Italy, Spain and Great Britain. The research focus is on the effects of two political cleavages, *centre-periphery* and *left-right*, on sub-national social policy.

The findings of the quantitative and qualitative analyses presented throughout this research suggest that *the main driving force in the construction of sub-state welfare systems is the political mobilisation of territorial identities through the creation and electoral consolidation of regionalist parties*. Indeed, such parties may use regional social policy to reinforce the sense of distinctiveness and territorial solidarity that exists in the communities they represent, thus further strengthening and legitimising their political role. Additionally, the centre-periphery cleavage may also affect relations across different organisational levels of 'statewide' parties and further increase the relevance of *territoriality* in welfare politics at the regional level.

On the other hand, traditional left-right politics does not seem to play the central role that welfare theories focusing on 'nation-states' might lead us to expect. For left-wing parties, the regionalisation of social governance may present either an opportunity or a challenge depending on the role they play in national politics and on the characteristics of sub-national electoral competitors. Generally, mainstream centre-left parties are torn by the *dilemma* of maintaining uniformity and cohesion in social protection across the national territory and addressing the demands for more extensive and distinctive social services coming from specific regional communities.

TABLE OF CONTENTS[1]

[1] Parts of chapters 1, 2 and 3 have been published in Vampa, D. (2014), 'The Sub-State Politics of Welfare in Italy: Assessing the Effect of Territorial Mobilization on the Development of Region-Specific Social Governance', *Regional & Federal Studies*, Vol. 24, No. 4: pp. 473–491.

List of Acronyms

AC or AACC	Autonomous Communities
BNG	Galician Nationalist Bloc
CDC	Democratic Convergence of Catalonia
CiU	Convergence and Union
DS	Left Democrats
EA	Basque Solidarity
ERC	Republican Left of Catalonia
FI-PDL	People of Freedom
FVG	Friuli Venetia Giulia
ICV	Initiative for Catalonia-Greens
LN	Northern League
MPA	Movement for Autonomies
PATT	Trentino Tyrolean Autonomist Party
PC	Plaid Cymru
PCI	Italian Communist Party
PD	Democratic Party
PDS	Democratic Party of the Left
PNV	Basque Nationalist Party
PSdAz	Sardinian Action Party
PSOE	Spanish Socialist Workers' Party
SNP	Scottish National Party
SVP	South Tyrolean People's Party
UDC	Democratic Union of Catalonia
UV	Valdostan Union

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Introduction

The welfare state played a very important role in the process of state- and nation-building. Indeed it emerged in a period of structuring and closure of national boundaries, which framed the struggles between cross-local, 'functional' alliances. According to Rokkan, the ultimate last task of central political elites in the construction of nation-states was 'the creation of territorial economic solidarity through measures to equalize benefits and opportunities both across regions and across strata of the population' (quoted in Flora, 1999: 58). T. H. Marshall, the theorist of 'citizenship', has also evoked an image of how, over centuries, the functions of government and the rights of citizenship – among which social rights were central – 'accumulated at the scale and within the institutions of the democratic "nation-state"' (Jeffrey, 2009: 74). Again, as shown in Jeffrey's summary of the evolution of 'national rights', 'social citizenship' was the last type of citizenship to emerge and consolidate in the first half of the 20th century[2] (Table 1).

Table 1. The processes of state building and *nationalisation* of citizenship in the Western World

	18th century	19th century	20th century
Civil Rights	Yes	Yes	Yes
Political Rights		Yes	Yes
Social Rights			**Yes**

Source: Jeffrey (2009: 74)

Generally, the development of state welfare enhanced the capacity of central states to intervene in and shape the lives of their citizens. As pointed out by Ferrera (2005: 168):

[2] Yet it should be underlined that in some countries social rights preceded political rights. The case of Germany, well illustrated by Alber (1986), is emblematic of a welfare system that started to emerge before the process of democratisation. This, however, does not contradict the fact that civil, political and social rights have all played a very important role in the process of nation building.

> [W]ith the advent of public compulsory insurance, social rights acquired both a standardized content and an individualized nature, as subjective entitlements to certain forms of public protection – originally and typically cash transfers. *The source of such new rights was the nation state*, even in those countries which opted for an occupationalist rather than universalist approach.

This process of centralisation and standardisation encouraged the creation of 'cross-local alliances of a functional nature' (Bartolini 2005). Indeed, since the strengthening of central governments made 'exit options' increasingly costly for peripheral territorial actors, political requests could be constructed and communicated more effectively through statewide networks of apparatuses and institutions (Moreno and McEwen, 2005: 3). The interaction among statewide, cross-territorial organisations representing different interests (parties, employers' organisations, trade unions) had an important impact on the structure of welfare states. Thus, as underlined by Esping-Andersen (1990), the emergence of different national welfare states depended on the level of political mobilisation of some statewide political or social bodies (social-democratic parties and trade unions), which in turn interacted with other statewide organisations (agrarian and bourgeois parties and employers' organisations). Territorial issues did not play any role in this game since they were incorporated within each of these vertically integrated organisations. Only in 'classic' federal systems characterised by inter-regional competition, such as Canada, the US and Australia, has territoriality seemed to play a (negative) role in the evolution of welfare systems (Obinger et al., 2005).

However, since the mid-1970s welfare states across Europe have undergone a process of retrenchment and restructuring. This last phase is not only characterised by the functional fragmentation and 'privatisation' of national social protection but also by its increasing 'territorialisation'. Indeed, in some countries regional governments have become important, sometimes central, actors in the elaboration and implementation of social policies (Ferrera, 2005; McEwen and Moreno, 2005;

Kazepov 2010). Thus in many post-industrial societies the 'new politics of welfare' is increasingly shaped by territorial, region-specific factors rather than 'statewide' political struggles.

In this context, new territorial and regionalist political forces may have played an increasingly important role in the elaboration and implementation of social policies. As happened in the process of state-building, new social policies promoted at the *sub-state level* may become an instrument of *region-building*, which further strengthens the saliency of the *centre-periphery* cleavage. At the same time, the traditional promoters of welfare expansion, centre-left political parties, may have adapted in different ways to processes of decentralisation. Some of them may have seen the increasing importance of the regional arena as an opportunity to invest additional resources in the construction of new systems of social protection that complement the national one. Yet other centre-left parties may have been less inclined to promote the development of region-specific social policies, which may in turn produce increasing territorial fragmentation and inequality in the structure and effectiveness of welfare governance across the national territory.

The general aim of this study is to see to what extent the politics of welfare in decentralised systems is affected by the mobilisation – through regionalist parties – of the centre-periphery cleavage and by regional support for socially progressive political forces, which instead emerged from the mobilisation of the left-right 'functional' cleavage (Caramani, 2004: 248). The following analysis does not only consider these two aspects of political competition separately but also tries to assess the effects produced by their intersection.

Chapter 1 provides a review of the past and current debates on old and new welfare politics and territoriality. It also presents the main hypotheses of this study focusing on the role played by regionalist and left-wing parties in sub-state welfare building. Finally, it clarifies the case selection criteria and methodologies that are adopted to test the hypothesis.

The core of this study is formed of three sections, each focusing on the territorial politics of welfare in three countries: Italy, Spain, and Great Britain. In the case of the first two countries, preliminary quantitative chapters (chapters 2 and 5) are followed by two more qualitative chapters, which separately assess the effects of territorial and left-wing mobilisations on welfare development (chapters 3-4 and 6-7 respectively). The section on Great Britain has a different structure. An introductory chapter focuses on the transformations and territorialisation of the British welfare state and presents a general assessment of the different levels of development of regional welfare systems in Scotland, Wales, and England (Chapter 8). The two qualitative chapters provide a more in-depth analysis of the processes of welfare building promoted by the newly devolved administrations of Scotland (Chapter 9) and Wales (Chapter 10).

The conclusion (Chapter 11) tries to sum up the main results of this research by combining both cross-regional and cross-country comparisons. Moreover, it considers the possible effects of territorial politics on the welfare systems of other European countries, such as Germany, France, and Belgium, which have not been considered in this study. It also tries to assess the more recent developments in regional welfare governance in the post-crisis period (since 2009) in Italy, Spain, and Great Britain. Finally, possible developments of this research are discussed.

Chapter 1.

Theoretical Framework, Research Hypotheses, Case Selection and Methodology.

The transformation of European Welfare Systems: a brief literature review

In the last three decades, the welfare systems of European countries have been subject to increasing pressures that have not only produced a general retrenchment of the generosity of social programmes but have also resulted in their qualitative transformation. In an age of austerity, therefore, it is not only important to assess and explain the level of resilience of the welfare systems that emerged in the so called 'Golden Age' (Pierson, 2001) but it is also crucial to understand whether new social policies have replaced old ones.

As underlined by Bonoli and Natali (2012: 11—12), 'over the last two decades, together with some undeniable instances of retrenchment, we have also seen the expansion of some social policies, mostly in the fields of active labour market policies, publicly subsidized childcare and paid parental leave'. Scholars have underlined that in the last decades social policies have become 'social investment policies', which try 'to increase social inclusion and minimise the intergenerational transfer of poverty as well as to ensure that the population is well-prepared for the likely employment conditions (less job security; more precarious forms of employment) of contemporary economies' (Jenson, 2012: 28). This can be achieved through the development of 'enabling and capacitating' social plans that combine different welfare areas such as social assistance, health care, education, and employment policies.

Additionally, it has been underlined that in the early and mid-20th century national welfare states emerged as 'insurance-based', 'transfer-oriented' systems (Esping-Andersen, 1990) whereas today, as a result of the increasing importance of 'social investment' policies, they are increasingly 'service-oriented'. Therefore studies

that focus on pension and insurance schemes and cash benefits often overlook the increasing importance that social services play as new means of social protection (Hemerijck, 2013: 32). As underlined by Ferrera (2005a: 171), 'even though transfers (and especially pensions) were indeed the most dynamic component of social expenditure, from the 1960s social services also began to grow significantly in terms of spending, infrastructures, staff, and users'.

The 1950s and 1960s have often been described as the 'golden age' of the welfare state, when the nationalisation of social protection and its massive expansion had significant implications for territorial redistribution. Keynesian territorial management introduced a variety of spatial policies intended to alleviate intra-national territorial inequalities and local authorities operated solely as the agents of (centralised) welfare state provision (Brenner 2009). However, 'the parabola of welfare state nationalization started to slow down during the 1960s, with a renewed emphasis on local government in the sphere of social services' (Ferrera, 2005: 169). The emergence of the urbanised, affluent, unitary welfare state 'had transformed the public sector such that the traditional basis for the distribution of state functions between centre and locality was no longer satisfactory' (Sharpe 1993: 14). Therefore, factors that are endogenous to national welfare states partly explain the processes of decentralisation that started in the early 1970s.

Of course, external factors, such as the global economic crisis started in the 1970s and the process of Europeanisation, have also put centralised welfare states under increasing pressure. Stephens et al. (1999) have underlined that after the oil shock in 1973, 'societies still have political choices regarding the types of welfare states they want to maintain, though these choices are more constrained than in the golden age' (193). Given these constraints, central governments have been increasingly unable to provide solutions for regional crises and implement Keynesian territorial policies. In the 1970s this was shown by a double movement in the political-economic sphere. On the one hand, the global crisis seemed to overlay and standardise regional crises.

Everyone was similarly affected by unemployment and austerity. But at the same time, and precisely because there was a global crisis, the system tended to lose control of regional crises (Damette and Poncet, 1980: 114–115). In the era of austerity, decentralization also became a 'top-down' strategy of central authorities aimed at delegating difficult decisions, including those concerning the provision of social services, to lower levels of the decision-making process (Thorslund et al., 1997). This form of political manoeuvring and 'politics of blame avoidance' (Weaver, 1986) is often known as 'passing the buck or hot potato' (Throslund et al, 1997: 204).

The transformation of welfare systems is therefore affected by the changing role that national governments play in advanced democracies. In fact, today the term 'governance' often replaces the term 'government' (Pierre, 2000; John, 2001). Generally, scholars have pointed to the central state's 'inability to maintain some degree of control over its external environment and to impose its will on society' (Ibid: 2). Public policy and the administration of services are less and less the outcome of hierarchical interactions between the state and its individual citizens (Kooiman, 2000). Rather, they seem to be increasingly shaped by 'policy networks' involving public institutions at different territorial levels, private actors and social organisations (Pierre, 2000: 3). Therefore today the term 'welfare state' is often replaced by the term 'welfare community', which indicates the increasingly 'inclusive' character of welfare governance (Ciarini, 2012: 29—33).

Additionally, the term 'multi-level governance' has underlined the increasing importance of territoriality in the elaboration and implementation of social and economic policies in European countries (Biela et al. 2013). More generally, it seems that the strengthening of supra-national and sub-national actors and institutions has significantly challenged the primacy of nation-states. For instance, the construction of the European Union has also contributed to the constraining and 'destructuring' of national welfare regimes but has not resulted in a recentralisation and restructuring at a higher, European level (Hooghe and Marks, 2001; Ferrera 2005; Bartolini 2004,

2005; Colomer 2007; Greer, 2009). Given the absence of strong institutional and political competitors at the national and supranational level, it is not so surprising that in some countries regional governments have gradually become focal points in the establishment of sub-national policy networks. Such networks may in turn play a primary role in the development of social services that better respond to the needs of local communities.

As a consequence of these important transformations, scholarly interest in the territorial politics of welfare has grown only in recent years. Kazepov (2010) has argued that 'the territorial dimension of social policies has long been a neglected perspective in comparative social analysis'. Indeed, 'mainstream' literature on welfare systems (Esping-Andersen, 1990; Hemerijck, 2013) is still heavily influenced by what has been defined as *methodological nationalism* (Jeffrey, 2008; Jeffrey and Wincott, 2010; Amelina et al., 2012), which assumes that the national state or national society is 'the natural social and political form of the modern world' (Wimmer and Glick Schiller, 2002: 302). This has strongly influenced classifications of welfare systems, which not only neglect variations in welfare structures that go beyond 'the stateness-fragmentation and state-market dichotomies' (Flora 1986: XXI) but also assume that welfare governance is totally homogeneous across the territory of each nation-state analysed.

Generally, 'neither the comparative study of the welfare state nor the study of citizenship has been particularly friendly to territorial politics, stateless nations and federalism' (Greer, 2009: 9). At the same time, the literature on territorial politics has paid scarce attention to the concept of 'social citizenship' – despite the fact that 'social citizenship rights are, among other things, territorial' (Ibid: 7). One exception is the seminal work by Alber (1995) that, while underlining the need to go beyond 'social transfer payments of the state', stresses the importance of territorial dynamics in welfare systems that are increasingly service-oriented. In his view, it is no longer sufficient to look at 'functional' class struggles when assessing the development of

social policies and one should also consider the 'centre-periphery cleavage' in a context of increasing demands for social services (particularly elderly care and child care). This point is central in this study and will be further developed in the next sections.

The study by Luis Moreno and Nicola McEwen (2005) can be considered as the first attempt to provide a systematic and comparative picture of the relationship between territorial politics and welfare development. Their study focuses on important aspects such as 'state formation, the welfare state and nationhood, and the influence of state structure on welfare development in the light of the internal quest for decentralization and the external constraints of globalization' (Ibid.: 32). In the same year, another important book, *The Boundaries of Welfare* by Maurizio Ferrera, also marked a breakthrough in the study of welfare and territoriality. In a chapter focusing on the emergence of 'welfare regions', Ferrera (2005: 174—175) argues that:

> The twenty-first century has […] begun with a marked revival of 'peripheries' within European nation states and with visible symptoms of a regionalization of social protection, especially of policies targeted at *new social needs* [italics added]. Regions have increasingly become the spatial units of reference for organizing a collective response to such needs. Regional governments have become important political and institutional actors and have increasingly engaged themselves in voice activities, both horizontally (vis-à-vis other regions) and vertically (vis-à-vis local governments below them and national governments above them). They are also protagonists in, and focal points for, the emergence and functioning of those governance networks, extended to non-public actors, which are becoming more and more important for the design and implementation of many social and economic programmes aimed at territorial growth and development.

Keating (2009b: 102) has also underlined that 'devolution is about shifting the territorial boundaries for communities and services' and therefore it is 'part of a general process of *unbundling of the territory* across European states' (italics added).

As a result, 'policy communities have been rebuilt at different territorial levels […] and new social compromises are being sought' (Ibid: 103). More recently, Keating (2013: 146) has argued that regions may play an important role in the 'distributive' field of policy making, that is, the shifting of resources or other goods among individuals or groups.

> Traditionally redistribution has been a task for *nation-states*, through income taxes and social welfare payments aimed at categories defined by income, employment status, age, capacity, or family status. Regional governments have less control over these instruments of income redistribution but *can influence the balance of opportunities through the allocation of public services*. They also have substantial planning, land use, and infrastructure powers, which can affect the spatial distribution of opportunities. (Ibid. Italics added).

In summary, this study can be placed in a very recent line of analysis that has linked qualitative and quantitative transformations of social governance to processes of territorial reconfiguration of authority, citizenship and solidarity in advanced democracies. However, so far the literature on territorial welfare has mainly aimed at demonstrating that, in many post-industrial democracies, there is increasing cross-regional (quantitative and qualitative) variation in the elaboration and implementation of social policies (Fargion, 1997; Ferrera 2005; Greer, 2009; Costa-Font and Greer, 2013). At the same time, a theoretical understanding of the political dynamics that favour the emergence of region-specific welfare models, which in turn determine the territorial fragmentation of 'social citizenship', has not yet been fully developed[3]. For instance, one aspect that has not been sufficiently considered by the literature is the impact that the mobilisation of different political cleavages, particularly the *centre-periphery* and *left-right cleavages*, has had on the development of sub-state systems of social protection. Indeed, besides socio-economic and

[3] One exception is the book on the territorial politics of health policy in the UK by Greer (2004).

demographic characteristics of regions, *differences in their political spectrums* may also explain why, in a context of decentralisation, some regions are more active and successful than others in their promotion of *strong* models of welfare. In order to address these questions, the next sections provide some theoretical insights on the relationship between sub-national social policy and two important aspects of party politics, namely territorial and left-wing mobilisations.

Theoretical Framework

As mentioned above, the general aim of this research is to understand whether and why, in decentralised countries, some regions are more successful than others in establishing *sub-national* or *sub-state*[4] models of welfare that may complement, compete and even aspire to replace the national one. I call them *strong* models of regional welfare. Thus, contrary to the idea of a 'race to the bottom' (Cameron, 1978; Mishra 1999) that has also inspired neoliberal supporters of decentralisation, I expect to see substantial variation in the level of welfare development across the regions of a decentralised country. Indeed, whereas some regions may become real promoters of welfare (re)building (Moreno, 2011), others may be totally unable to play this role. As underlined by Keating (2013: 153), 'rescaling and regional devolution have encouraged *varied* forms of adaptation to global and European economic and social trends, mediated by *politics* and institutions and often marked by a historic path dependence' (italics added).

The main questions that will be addressed in the following chapters focus on the impact of two *political factors* on the emergence of region-specific welfare systems.

[4] The terms sub-state and sub-national are used interchangeably in this study and in territorial literature in general. However, the use of the term 'sub-state' is preferable since it has a more *institutional* connotation and refers to arenas of policy making that, spatially, are *below* the institutional level occupied by the traditional *nation-state*. The term sub-national may be more ambiguous since the concept of *nationality* may also refer to stateless nationalities such as the Scottish, Catalan and Basque ones.

The first factor is the *mobilisation of the centre-periphery cleavage* through the creation and electoral consolidation of regionalist parties, which may use social policy to strengthen regional distinctiveness. So far, only Béland and Lecours (2008) have systematically focused on the link between territorial mobilisation and sub-state welfare development. However, their qualitative study is limited to three regional cases (Flanders, Quebec, and Scotland) and, with the exception of the British case, they refer mainly to secessionist mobilisation in multi-ethnic countries which are split into two national groups (e.g. in Canada and Belgium). Therefore, the inclusion of a larger number of regional cases in different countries may broaden the scope of research on the interaction between regionalist mobilisation, decentralisation and social policy.

The second factor is the role played by *centre-left political parties* as promoters of welfare building in the regional arena. A new 'territorial' perspective is therefore added to well-established power resource theories, which have linked welfare expansion and resilience to the strength of the Left but have mainly focused on the national level.

Of course, the centre-periphery and left-right cleavages are not mutually exclusive and in fact they can be two intersecting dimensions of party competition at the sub-state level. Indeed, as highlighted by Greer (2004: 9), voters and parties in many regions with strong identities 'will align themselves in two-dimensional space along not just left-right axes but also according to their view of the appropriate relationship between their people and the central state'.

Before presenting the main hypotheses of this research it is important to provide a clear definition and operationalisation of regional welfare development. This is the focus of the next section.

The dependent variable: development of regional welfare system

The dependent variable of this study is the *level of development of a welfare system at the sub-state level*. Highly developed models of sub-state welfare can be detected when regional institutions and actors play a central role in the elaboration and implementation of well-functioning social programmes.

Political economists often use aggregate spending figures as indicators of welfare effort (Swank, 2002). One could therefore argue that the more a regional government spends on health care, social assistance, employment policies and education etc., the stronger is the role it plays as provider of social protection. Of course, *spending* represents an important aspect of the government's degree of activism in a specific policy sector. Indeed, as underlined by Costa-Font and Greer (2013: 17) 'no money equates to no policy'. However, it is not sufficient to know how much a government spends if we want to explain the development of policies, such as health care and important sectors of social assistance, which are increasingly *service-oriented* (Hemerjick, 2013) and not just based on cash benefits. Indeed, it would be equally important to know to what extent regional governments try to *plan* services in an integrated way and promote their innovation through *extensive legislation*. For instance, talking about health care services, Rothgang (2010: 11) underlines that financing can be regarded as a 'basic function' of the system but 'regulation' is also very important because it is used by public institutions to mediate between 'funding agencies, service providers and (potential) beneficiaries'.

Both spending and legislation/regulation can be seen as the 'input' side of the system of welfare governance. In order to have a full picture, however, one should also consider the 'output' side, that is, the level of *effective implementation* and *coverage* of social schemes once they have been established (Pavolini, 2008). For example, in their assessment of the role played by territorial levels in the governance of social policies, Barberis et al. (2010: 373) consider three areas of responsibility: planning/programming, financing and *administering/managing/delivering*. Again, this

latter factor is clearly more important in the case of social services than in the case of cash benefits. Since regions provide social protection mainly in the form of service-oriented programmes (Fargion, 1997; Ferrera, 2005; Kazepov, 2010), it is crucial to include this aspect in our definition.

To sum up, we have a highly developed model of welfare at the regional level when sub-national institutions simultaneously play an important and active role in 1) financing and 2) planning social programmes (input) and when 3) these social programmes are effectively implemented and administered (output). All these three aspects should coexist in order to consider regions as *real* centres of welfare development. High spending alone does not make a regional welfare system 'strong' unless it is combined with extensive local planning and the effective implementation of social services. At the same time, focusing on the adequate functioning of social services to detect the existence of region-specific models of welfare does not make a lot of sense if the financial and legislative or regulatory input of sub-national political actors is null or very weak. Indeed, even the provision of 'nationalised' services may vary from place to place, although this is not necessarily the result of active efforts to build region-specific welfare models but may just reflect geographical, demographic and socio-economic differences across regions (Powell, 2009). Lastly, extensive social legislation can be considered as an indicator of regional welfare development only when it is supported by concrete actions of regional governments (i.e. spending or some kind of financial control) and results in social services that are effectively implemented. Therefore rather than adding the three factors, it would be more correct to multiply them since all three are considered essential for detecting a *strong* model of welfare and, therefore, need to coexist. This approach is suggested by Goerz (2006: 95–127), who underlines the importance of 'concept-measure consistency'. The resulting formula would therefore be:

*Development of regional welfare= (spending*planning/legislation*effective implementation)*[5]

This multiplicative formula 'rewards' those regions that score consistently high on all three dimensions and 'punishes' those with low or inconsistent scores.

Before moving to the next section focusing on the two main political factors that might explain cross-regional variation in the *level* of welfare development, it should be underlined that the formula presented above does not tell us anything about *qualitative* differences that may exist across equally developed models of sub-state welfare. At the same time, the analysis of such qualitative differences, which are briefly discussed at the end of this chapter, is possible only for those regions where social governance has developed to such a level that its characteristics are sufficiently *recognisable*. Indeed, does it make sense to study the characteristics of the *welfare model* of a region where sub-state institutions and political actors have no (or insufficient) control on legislation and financial resources or they fail (or are unwilling) to effectively implement and administer social services (i.e. they need the constant support of central authorities)? In this case, can we actually talk about a *sub-state welfare model* in the first place? Therefore*, a quantitative assessment* (based on the three-dimensional index presented above) *is a prerequisite for any qualitative analysis that aims to describe and compare highly developed and recognisable models of welfare at the sub-state level.*

[5] In the country-specific chapters I go into more detail about the indicators used to assess the level of development of each dimension. Here it should be said that, since I am interested in 'within-country' variation in the level of development of regional welfare, I will use homogeneous indicators across the regions of the same country. This, however, does not mean that I will use exactly the same indicators cross-nationally (see also p. 157, when I talk of indicators for Spanish Autonomous Communities).

The impact of territorial mobilisation on the level of sub-state welfare development

The literature on multi-level party politics has paid increasing attention to the emergence of *regionalist political parties* (De Winter and Türstan 1998). Such parties are often seen as the expression of 'sub-state nationalism' highlighting the ethnic or civic (but also socio-economic) diversity of a 'peripheral' region (Keating, 2001) and challenging the main statewide parties (Hino, 2012: 60). This type of political mobilisation is linked to the 'centre-periphery' cleavage, which has been defined by Lipset and Rokkan as:

> [L]ocal oppositions to encroachments of the aspiring or the dominant national elites and their bureaucracies: the typical reactions of peripheral regions, linguistic minorities, and culturally threatened populations to the pressures of the centralizing, standardizing, and 'rationalizing' machinery of the nation-state. (Lipset and Rokkan 1967: 14)

In the already mentioned paper by Alber (1995: 146), it is argued that in a context of increasingly service-oriented welfare systems,

> the centre-periphery relations between various levels of government become a crucial dimension of social service policies, because state interests in fiscal solvency collide with the growing demand for services among the population.

The author explicitly refers to the Rokkan-Lipset scheme as a useful one for understanding tha political dynamics affecting welfare development in more recent years. Yet he does not explicitly mention regionalist and territorial parties as important political actors in this theoretical framework.

By focusing on the centre-periphery cleavage, regionalist parties are likely to challenge welfare centralism and promote a system of social protection that is more distinctive and linked to the needs of local communities. As underlined by Béland and Lecours (2008), regional social policy may be used to foster sub-state solidarities

and identities that in turn reinforce the centre-periphery cleavage. This may also occur through the creation of regional 'developmental coalitions', which Keating (1997: 32–34) defines as 'place-based inter-class coalitions of political, economic and social actors devoted to the economic development in a specific location'. Thus the political mobilisation of regional identities may have a positive impact on the development of region-specific economic and social policies in decentralised systems. On the contrary, in those regions dominated by statewide parties the construction of sub-state networks of solidarity is not a salient issue, since such networks may undermine the territorial integrity of the nation-state. One may therefore hypothesise that:

H1. In a decentralised country, the political mobilisation of regional identities (generally defined as territorial or regionalist mobilisation) has a positive impact on the construction of a regional model of welfare.

However, territorial mobilisation does not just have a direct effect on the development of regional welfare systems but it may also have an *indirect* impact through the promotion of asymmetries in the formal autonomy of regional institutions (Henders, 2010). Indeed, regionalist parties may demand and obtain more powers for the region that they represent and this may in turn result in important differences in *de jure* self-ruling authority across regions belonging to the same country. This means that due to the existence of politically mobilised territorial identities, some regions may rely on more extensive fiscal and/or decision-making autonomy than others and may therefore be in a more privileged position when elaborating and implementing social policies. One may therefore hypothesise that:

H2. In decentralised countries, regionalist mobilisation may have an indirect positive impact on the development of regional welfare systems through the promotion and establishment of asymmetries in the formal autonomy of regional institutions.

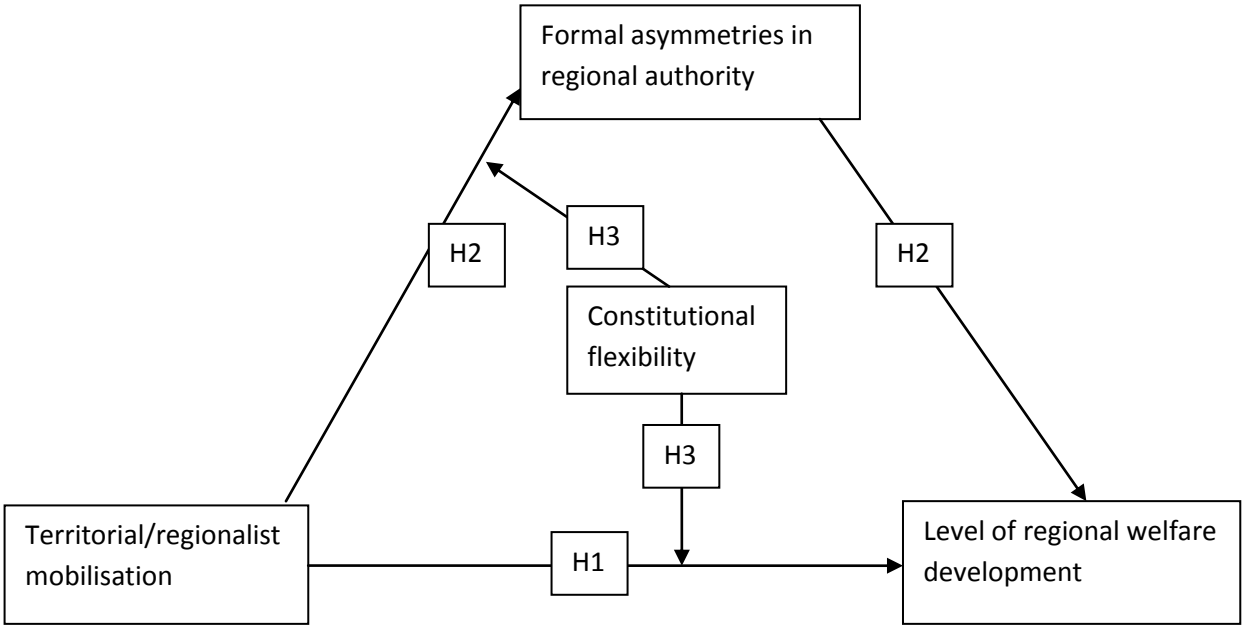
Of course, regionalist movements may obtain special powers for their regions only in countries where constitutional arrangements concerning the autonomy of sub-national authorities are flexible and regional political elites may directly engage in bilateral bargaining with the central government (Requejo and Nagel, 2010). In the absence of this 'constitutional flexibility', the intervening effect of formal institutional asymmetries is irrelevant and what really matters is the fact that regionalist parties may 'use standard self-governing authority in distinctive ways' (Henders, 2010: 13). In this latter case, *de facto,* rather than *de jure*, territorial asymmetries can emerge and regionalist mobilisation has a more *direct* effect on the development of region-specific social policies. Therefore:

H3. The indirect effect presented in H2 is more important in countries with flexible constitutional arrangements where de jure *institutional asymmetries are more likely to result from different levels of territorial mobilisation across the regions. On the contrary, the direct effect presented in H1 is more visible in 'constitutionally rigid' systems where regionalist parties cannot obtain special institutional autonomy to advance their project but have to use standard institutional tools in a distinctive and 'creative' way.*

Figure 1.1 shows the causal mechanisms illustrated in this section and summarises the three hypotheses regarding the impact of regionalist mobilisation on the construction of regional welfare systems. The H1 arrow represents the direct effect of regional mobilisation whereas H2 represents the indirect effect through the establishment of *de jure* asymmetries. Finally H3 shows that the relevance of H1 and

H2 depends on the level of flexibility of the constitutional arrangements concerning regional autonomy.

Figure 1.1 Summary of the hypotheses about the impact of regionalist mobilisation on welfare development at the sub-state level.



To be sure, the territorial cleavage is often combined with left-right party competition, which is analysed in the next section. Thus territorial movements may have a more progressive or conservative political position or establish alliances with left-wing or right-wing parties (Massetti 2011). However, in this study I aim to show that *regardless of their position on the left-right axis and on the level of left-wing mobilisation in their regions, territorial parties will actively promote welfare development at the sub-state level.* At the same time, it should be underlined that, whereas left-right politics does not seem to influence the effect of territorial mobilisation on the *level* of sub-state

welfare development (quantitative differences in the level of spending, legislation and effective implementation of social schemes), it may affect the *types* of social model promoted by territorial parties (qualitative differences in the structure of welfare governance). This is why in the last section of this chapter I stress the importance of combining quantitative and qualitative analyses.

Lastly, as an addition to the hypotheses presented in this section, it should be noted that the emergence of politically organised territorial movements may also have an influence on the preferences and actions of the regional branches of 'statewide' parties that were not primarily created on the basis of the centre-periphery cleavage. This is even more evident in a context in which statewide political parties are increasingly characterised by 'stratarchical' organisational structures (Carty, 2004; Katz and Mair, 2009). The 'territorialisation' and 'stratarchization' of statewide parties has a number of dimensions. These include the adoption of stronger territorial party identities and rhetoric, calls for greater organisational and programmatic differentiation from the centre, and the development of alternative constitutional goals. In territorialising party organisations, power and authority no longer rest in one single place, but rather different organisational units within parties possess different powers and autonomous functions (Hepburn, 2010). The literature has also underlined more systemic transformations that go beyond the organisation of statewide parties and refer to the *regionalisation* of party systems and to the increasingly *multi-level* character of party competition (Hough and Jeffery 2006; Swenden and Maddens 2009; Alonso 2012; Detterbeck 2012).

The Left and the challenge of regionalism: a new arena of welfare development?

Competition between left- and right-wing parties, which Lipset (1983: 230) defines as the 'democratic translation of the class struggle', has long been considered the most important determinant of policy outcomes in democratic regimes. The 'power-resource' literature has linked the development of welfare systems to the strength of left-wing (especially social-democratic) parties (Hicks and Swank 1984; Esping-Andersen 1984; Korpi 1989; Garrett 1998). According to this literature, even when conservative governments have established new social schemes, they have done so mainly in reaction to the increasing mobilisation of centre-left parties. Indeed, as underlined by Korpi and Palme (2003: 429), 'it is difficult to find evidence for major social policy reforms where business interests [and parties close to them] have been the main originators and protagonists'.

More recent literature has also tried to study the impact of left-right politics on 'new social policies' (i.e. activation and needs-based social policies'). For instance, Häusermann (2012) has shown that the Left, particularly 'new left' parties, may support the expansion of 'activating' social services and, at the same time, oppose the retrenchment of old welfare schemes, whereas conservative and Christian democratic parties tend to favour retrenchment of both old and new social policies. If we stick to the traditional left-right dichotomy, the priority in regions ruled by centre-right parties should not be the construction of a highly developed and extensive system of social services but the creation of a pro-business environment through cuts in taxation and, consequently, in public spending. This can be obtained by reducing the scope of social protection to residual, means-tested programmes[6].

[6] It should be mentioned that a recently published book by Jensen (2014) has argued against the conventional wisdom that centre-right parties have been nothing but the welfare-sceptical flip-side of the Left. According to the author, the policy goals of centre-right parties - and the political means by which they pursue them - are a lot less straightforward than simply "pro" or "con" the welfare state. This does not necessarily go against the findings of this study, which analyses the challenges faced by centre-left parties in decentralized systems but also accounts for the existence of centre-right regionalist parties. In fact this study goes beyond the *unidimensional* idea of left-right party competition but tries to combine it to the centre-periphery cleavage.

Welfare literature has underlined that Christian democratic parties are different from the conservative right and have in fact promoted welfare expansion, although in a less generous and more fragmented way than centre-left parties. Yet, it has also been noted that Christian democratic parties have paid more attention to the establishment of transfer benefits conditional on previous employment and income (Huber and Stephens, 2001: 42) than to the development of social *services,* which, as already stated, are particularly important at the regional level.

Generally, following the approach employed by power resource theories, because of their electoral constituencies, parties that are located on the centre-left are expected to pay more attention to welfare-related policies than other parties positioned on the centre or centre-right of the political spectrum. The former may therefore also be more active in the promotion of sub-national social programmes. The literature on regionalism and decentralisation has also underlined the fact that social democratic parties may try to set out a new level of welfare provision at the regional level that complements national welfare systems (Keating, 2007; Greer, 2010). Additionally, in his qualitative analysis of social and education policies in the German *Länder*, Ed Turner (2011) underlines that the political orientation of governments on the left-right continuum may make a difference at the sub-national level. One may therefore expect that:

H4. Regions in which centre-left parties are politically stronger will have a more developed system of welfare.

However, territorial aspects, so far neglected by the power-resource literature, should be added to this general hypothesis. Generally, social democratic and left-wing parties emerged in the context of an increasing 'nationalisation' and 'de-territorialisation' of politics at the beginning of the 20th century (Caramani, 2004), when regional differences were ironed out by strengthening cross-territorial

networks of social solidarity based on class identity (Bartolini, 2005: 250—251). According to Przeworski (1985: 28), the class-based appeal of social-democratic parties was substantially weakened by, or even incompatible with, sub-state regional identities. Processes of political centralisation, state consolidation and nation building were important preconditions for the emergence and structuring of the *class cleavage* (Bartolini, 2000: 548–554). Therefore, one could argue that in a reverse process of territorial fragmentation like the one that has occurred in some European countries over the last decades, a *social democratic dilemma* may have emerged. Indeed, Keating (2004) has underlined that the relationship between socialism and territoriality may be full of contradictions. He argues that social democratic parties face:

> [T]he challenge of reconciling class, ideology and territorial demands […]. This is the dilemma of contemporary social democracy, founded as it is on a modern, integrated welfare state, that it can no longer take for granted. Yet breaking with the paradigm of the nation-state has proved difficult everywhere. (Keating, 2004: 233)

In this study I argue that the effect that left-wing mobilisation has on the construction of region-specific welfare systems, strongly depends on the role that left-wing parties play in policy making at the central state level. As underlined by Swenden and Maddens (2009: 22-23) regional branches of a statewide party will have fewer opportunities to unilaterally promote and implement autonomous policies if the central party leadership controls the national government. This seems to be particularly valid in the case of centre-left parties when elaborating and implementing social policies. Indeed, when core centre-left parties control the central government, they will focus more on the construction of statewide social programmes and will actually oppose excessive differentiation in the levels of development of regional welfare systems that risk undermining cross-territorial

solidarity. Thus they will act as a centralising and standardising political force (Bogdanor, 2007). On the other hand, when centre-left political forces are constantly excluded from (or play a marginal role in) central government, they will regard regions as important arenas of welfare building and will therefore contribute to the construction of region-specific welfare systems. The following hypothesis may thus be formulated:

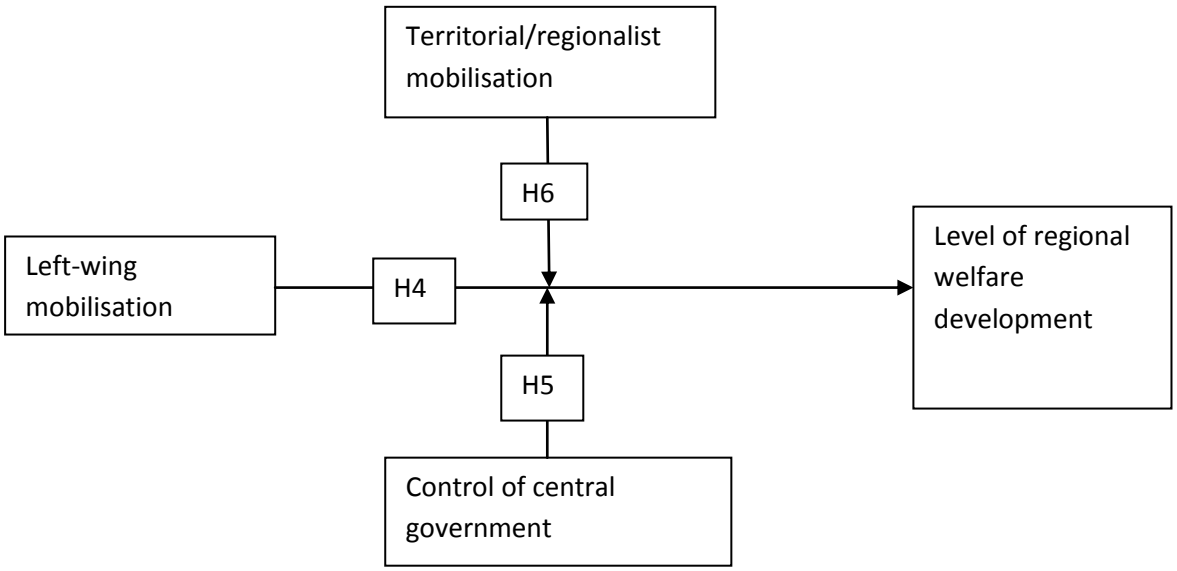
H5. The impact of left-wing mobilisation on the level of regional welfare development will be conditional on the role that centre-left parties play in central government. This impact will be positive when left-wing parties are not able to control (or play a marginal role in) central government.

Additionally, left-wing mobilisation may be 'contaminated' or challenged by territorial mobilisation (Alonso, 2012; Keating, 2004) and, as a result, it may become a source of regional welfare building regardless of the role that centre-left parties play in central government. Indeed, in some regions class and territorial politics may be closely linked and this may heavily influence the political preferences of regional party elites of centre-left parties. More generally:

H6. Left-wing mobilisation will have a positive impact on the construction of regional welfare systems in those regions where it is combined with or challenged by regionalist mobilisation.

The positive impact of centre-left mobilisation on regional social governance may therefore be less consistent than expected by power-resource theories, which, in any case, have seldom adopted a multi-level approach to the study of welfare governance. As shown in Figure 1.2, one has to consider the mediating impact of variables concerning the role of centre-left parties in national decision making (H5) and their relationship with regionalist mobilisation (H6).

Figure 1.2. Summary of the hypotheses about the impact of left-wing mobilisation on welfare development at the sub-state level.



Other region-specific control variables that may affect sub-national welfare building

After having presented the main hypotheses of this study, I now turn to some background variables that should also be taken into account when explaining cross-regional variation in the development of regional welfare models.

First of all, I include a variable that considers the level of economic development of regions. This may have had an effect on their ability to finance and independently administer social programmes. Indeed, economic inequality may become an even more important source of regional differentiation in a decentralised context in which the central government does not play a strong role in promoting equal standards of social protection (Costa-Font and Greer, 2013: 26). Beramendi (2012) has even argued that decentralisation may actually be endogenous to economic inequality and may become an institutional mechanism perpetuating and reinforcing pre-existing territorial differences in the level of wealth. On the other hand, other authors have argued that decentralisation is not detrimental to economic

cohesion and is disconnected from the evolution of regional disparities in high income countries (Rodríguez-Pose and Ezcurra 2010).

It should also be added that, as underlined by Putnam (1993), economic development is strongly correlated with levels of 'social capital'. Yet the debate on how these two variables are causally linked is not relevant for my argument. It is sufficient to know that they are very likely to coexist and have a combined positive effect on the development of effective systems of social protection at the regional level.

Ageing, considered as an indicator of *demographic vulnerability*, may be another factor explaining the variations in the attention that sub-national administrations devote to social policies. Indeed, as underlined by Fésüs et al (2008: 3), this factor will lead to significant increases in public expenditure and will require more planning in the fields of health and long-term care. Moreover, ageing will require the development of an extended set of employment-related policies. Indeed, 'policies to foster human capital by supporting lifelong learning should accompany labour market policies, taxes, benefit systems and pension schemes' (Ibid.). In sum, ageing is a central element of the 'demand' for the creation of a welfare support network, as also argued by Lucchini et al. (2009).

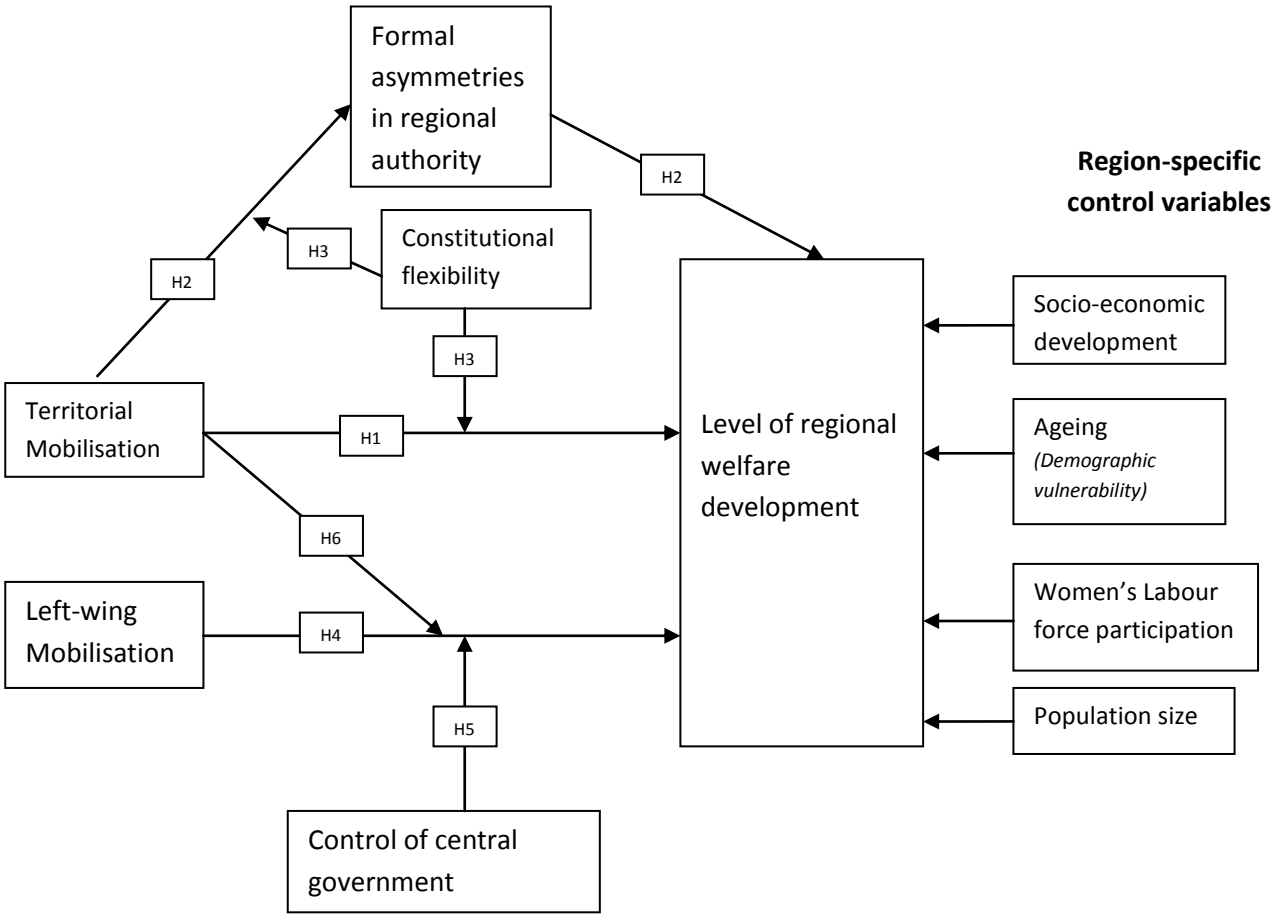
Welfare literature has also considered women's labour force participation as an important factor of welfare development. As underlined by Huber and Stephens (2001: 47) 'increasing women's labour force participation can be expected to generate … pressures for an expansion of welfare state services'. In her book on social assistance policies in Italy, Madama (2010: 201–202) also mentions female employment rates as a 'functional pressure' on the welfare state, favouring the development of social assistance services, child care in particular.

Finally, regions may differ quite substantially in terms of population size. For instance, the Spanish Autonomous Communities range from the 300,000 inhabitants of La Rioja to the more than 8 million inhabitants of Andalusia. In Italy, the

population of Lombardy is almost 100 times as large as the population of the Aosta Valley. Such radical differences may play a role in explaining cross-regional variation in welfare development. It may be hypothesised that it is easier for small regions to allocate public money, distribute resources and respond more quickly to the needs of the local population. On the other hand, governments of highly populated regions have to deal with problems of economic and territorial differentiation at the sub-regional level, which may slow down the elaboration and implementation of policies, and their action is often mediated (or even challenged) by other sub-regional actors (e.g. provinces, associations of municipalities). Moreover, it is easier to monitor the collection of taxes in a smaller region than in a larger one and this may result in a greater availability of resources to spend. Yet, Newton (1982) has argued against the idea that 'small is beautiful' and he has shown that larger sub-national administrations may be better at providing extensive services and promoting real redistribution. Moreover, small regions may be subject to policy 'externalities' and 'spillover effects' coming from larger regions (Keating 2012) and, therefore, they may be forced to adapt to policy changes imposed by 'stronger' external actors. Therefore, there are various and contrasting theories arguing that size matters and such theories should be taken into account in a multivariate model.

Figure 1.3 summarises the theoretical framework of this study by including the 6 hypotheses presented in the previous sections and the control variables.

Figure 1.3. When regions become arenas of welfare building: summarising the theoretical framework and the hypotheses.



Another contextual variable, which should be taken into account, is the existence of policy/institutional (but also cultural) legacies and their influence on new policies. The concept of path-dependence is central in 'historical institutionalist' analyses of policy and institutional development (Thelen, 1999) and, of course, one may also apply this concept to the study of the emergence and evolution of region-specific welfare systems. Quantitative data for the regions considered in this study (see next section for case selection) are not available at this stage and, more generally, the operationalization and measurement of region-specific policy and cultural legacies is a rather challenging exercise, particularly in a study that combines cross-regional and

cross-country comparisons. Yet qualitative, in-depth analyses of some regional cases may shed some light on how pre-existing institutions, policies, traditions influence the emergence of specific constellations of political and social actors that, in turn, shape the evolution regional social policy. Additionally, by summarising the findings of the empirical chapters, a section of the concluding chapter (Ch. 11) considers in more detail the impact of different legacies on the process of regional welfare development[7].

Case selection

In order to assess the impact of territorial and left-wing mobilisations on sub-national welfare policies, I focus on the regions of three countries, Italy, Spain and Great Britain, which share some important characteristics but are different in relation to some of the hypotheses presented above. The focus on Great Britain rather than the United Kingdom as a whole is explained by the fact that I decided to exclude Northern Ireland from my analysis. Indeed, this region is very peculiar and, as underlined by Trench (2007: 10), this 'creates problems' when studying devolution. It is an internally divided political entity in which two territorial movements, each representing roughly 50 per cent of the population, have fought against each other for decades. Moreover, until very recently, its status has been the object of international disputes and agreements (between the Republic of Ireland and Great Britain), which have only been partly linked to the devolution process (Barton and Roche, 2009). Finally, the Assembly of Northern Ireland, re-established in 1999, was again suspended between 2002 and 2007 due to persisting party conflicts (Trench, 2007: 10).

[7] This section also provides a quantitative analysis of the effect of policy legacy on regional welfare development is provided in chapter eleven.

In this research I combine two levels of comparison. The first one is across the regions of each country whereas the second one is across the three countries. This two-level comparison makes it possible to explain how the 'welfare effect' of region-specific political dynamics changes depending on country-specific political and institutional factors.

The policy areas on which this study mainly focuses are health care and social assistance, although other areas such as education and labour market policies are occasionally considered. The choice of health care and social assistance policies is justified by the fact that these two sectors are increasingly inter-linked and, in recent years, have become the object of 'integrated' programmes that consider 'well-being' as a concept embracing many aspects of people's lives (physical, mental, socio-economic, cultural etc.). For instance, in his analysis of social policies in Italian regions, Pavolini (2008: 164) clearly shows that health care and social assistance policies belong to the same welfare dimension (*politiche socio-sanitarie*) and, therefore, can be studied within the same analytical framework. Moreover, they have been more substantially affected by territorial dynamics (Ferrera, 2005; Costa-Font and Greer, 2013).

Similarities

Spain and Italy are very similar in terms of welfare legacy. Indeed both countries have been classified as Southern European welfare systems. As underlined by Ferrera (1996: 17), the main characteristics of this type of national welfare regime are a 'highly fragmented and corporatist income maintenance system', 'a low degree of state penetration of the welfare sphere' and the persistence of 'clientelism' and 'patronage'. On the other hand, Great Britain has been considered as a 'liberal' welfare regime (Esping-Andersen, 1990). However, with respect to health care governance, which is the core welfare sector considered in this study, all the three countries display very similar characteristics. Indeed, they have established National

Health Systems (NHS) that are mainly financed through taxation (Ferrera, 1996; Costa-Font and Greer, 2013). This makes the regional dimension quite important in these countries since, as argued by Maino and Pavolini (2008), taxation-based systems have been more subject to territorial restructuring than insurance-based systems, such as Germany and France. Also Costa-Font and Greer (2013: 5—6) explain that:

> National Health Service systems in decentralized countries, such as Italy, Spain, Norway, and the UK, tend to be decentralized to the major level of local or regional government (e.g. regional in Italy, Spain and the UK, or local government in Scandinavia). In social insurance systems, whether centralized or decentralized, the health finance system and the organization of health care are separated from regional governments, as in France where the state's use of regional health agencies is quite separate from elected regional governments, or in federal Germany, whose constitutional court went so far as to declare the logic of territory alien to the logic of social insurance.

Additionally, in the three selected countries regions have become important arenas of policy making only in the last three decades. Italy, Spain and Great Britain have shifted from a highly centralised system of government to a relatively decentralised one. Moreover, regional institutions have been mainly strengthened in terms of *self-rule*, that is, in their ability to elaborate and implement region specific policies. On the contrary, their participation in the policy-making process at the central level (*shared-rule*) has remained very weak. The Regional Authority Index (RAI) elaborated by Hooghe et al. (2010) clearly shows this trend. By considering policy making, administrative and fiscal autonomy of the regions, the authors calculate self rule on a scale ranging from 0 to 15 and shared rule on a scale ranging from 0 to 9. Table 1.1 compares the self-rule and shared-rule of Italy, Spain and Scotland/Wales with the average of the other European countries over the period from 1960 to 2010. I

considered only the largest regional units in countries with more than one regional layer. It can be noted that in recent decades the level of self-rule of the regions of the countries analysed in this study has increased substantially and at faster rates than in the rest of Europe. Whereas in the 1960s Spain, Italy and Great Britain were still among the most centralised European countries, today their regions enjoy higher levels of self-rule than many other regions in Europe. On the other hand, the level of shared-rule has remained rather stable at very low values.

Furthermore, in Scandinavian countries and continental countries like France, processes of decentralisation have mainly resulted in the strengthening of lower-level authorities such as municipalities and departments (Barberis et al., 2010: 379). Unlike Spanish and Italian regions or British devolved governments, these political entities are too small to aspire to compete with the central government in the policy making process and lack the resources to build a distinctive model of social protection. Moreover, in a context of multiple and fragmented levels of local autonomy, which compete against each other, like the French one (Cole and John, 2007), it has been easier for central authorities to control and constrain the actions of territorial actors. Central control over local and regional authorities has also been facilitated by the phenomenon of the *cumul des mandats,* that is, the practice among French national politicians of holding multiple offices at different levels of government.

Table 1.1. The rise of regional 'self-rule' and 'shared-rule' in Italy, Spain and Great Britain compared to the rest of Europe (most powerful regional level considered)

	Self-Rule (ranging from 0 to 15)					**Shared-Rule (ranging from 0 to 9)**				
	1960s	**1970s**	**1980s**	**1990s**	**2000s**	**1960s**	**1970s**	**1980s**	**1990s**	**2000s**
Italy	2.5	6.8	8.3	9.6	12.8	0.6	0.6	1.6	1.6	2.1
Spain	0	0.1	9.8	12.5	13.1	0	0.02	1.2	1.5	1.5
Scotland/Wales	1	1	1	2	10.5	0	0	0	0.4	3.5
Other European Countries	5	6.1	6.9	8.5	9.2	2.3	2.2	2.2	2.4	2.4

Source: Hooghe et al. (2009). Author's own calculation

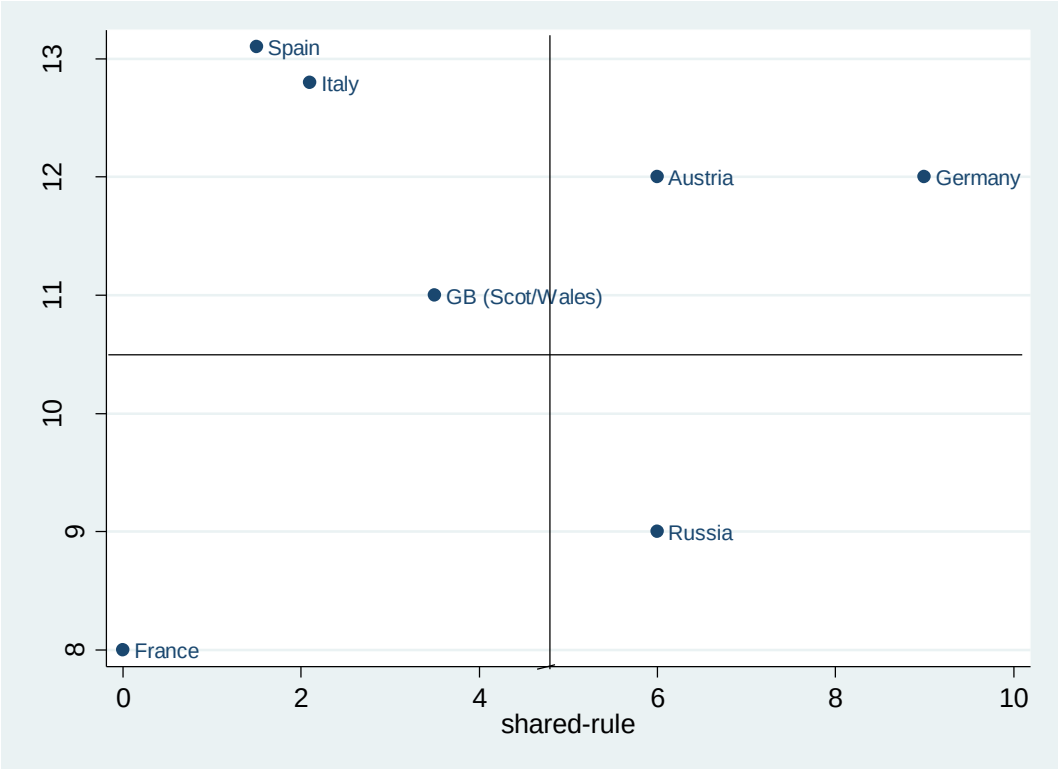
If we consider the two dimensions 'shared rule' and 'self rule' we can detect four types of institutional arrangements that regulate the relationship between the centre and the regions. These four arrangements are summarised in Table 1.2, which also provides an interpretation of Figure 1.4. When self-rule is high but shared rule is low we have a 'competitive' regionalised system, in which regions enjoy high autonomy but are not encouraged to cooperate and coordinate at the central level. If both self-rule and shared-rule are high we have a 'classic' federal system in which regions are very powerful but at the same time are encouraged to bargain and coordinate in decision-making arenas that are supervised by the central government. When, on the other hand, both self-rule and shared-rule are low or totally absent, we can talk about a 'unitary system'. Finally, low self-rule and high shared-rule is typical of highly integrated (or centralised) federal systems.

Figure 1.4 compares medium-sized and large countries and shows that Italy, Spain and, to a lesser extent, Great Britain have evolved in the direction of 'competitive regionalism'. Therefore, they are different from classic federations such as Germany and Austria, unitary systems like France and centralised federal systems like Russia.

Table 1.2. Types of institutional arrangements regulating relations between centre and regions (interpretation of Figure 1.4).

High self -rule	Competitive Regionalised system	Classic or 'cooperative' federal system
Low self-rule	Unitary state	Centralised or integrated federal system
	Low shared-rule	**High shared-rule**

Figure 1.4. Locating Spain, Italy and Great Britain on the two-dimensional map including self-rule and shared rule



Finally, territorial and left-wing mobilisations have been important in all the three cases. Indeed, in Spain, Italy and Great Britain we can find old and new regionalist parties that since 1980 have won on average more than 10 per cent of the vote within their territorial constituencies. At the same time, in each country the Left has been dominated by a large statewide party (controlling more than 50 per cent of the left-wing vote) that has also competed in the regional arena. To be sure, the strength of regionalist and left wing parties varies substantially across the regions of each case and, thanks to this variation, it will be possible to test the hypotheses presented in this study.

Differences

Having outlined the similarities existing across the three countries, I now consider some differences that, as expected by H3, H5 and H6, might affect the way regionalist and left-wing parties promote sub-national welfare building. Although Italy, Spain and Great Britain all show asymmetries in the formal powers delegated to the regions (Keating, 1998), they differ quite substantially in the way such asymmetries have been established.

Italy has a rather *rigid* system of territorial asymmetry that divides regions into two broad categories: 'ordinary' and 'special' status regions. This distinction was established in the post-war period and has only started to change in the late 1990s, when a process of 're-symmetrization' started (Amoretti, 2011). More generally, the asymmetry in regional authority has not been decided on the basis of different, and changing, demands for political autonomy coming from individual regions, but, rather, has been mainly determined by central authorities on the basis of 'geo-political' considerations after the Second World War. Indeed among the regions with special autonomy we can find regions such as South Tyrol and the Aosta Valley, where territorial mobilisation has traditionally been very high, a region like Sardinia, where regionalist parties have been relatively weak, and a region like Sicily, where

they were almost completely absent until the late 2000s (Sberna, 2013). Other 'special status' regions, such as Friuli Venetia Giulia and Trento, were assigned special status well before they experienced the emergence of electorally relevant territorial movements. On the other hand, among the 'ordinary status' regions we find Lombardy and the Veneto, where the salience of the centre-periphery cleavage has substantially strengthened in the last decades, and other regions, mostly central and southern regions, where it is completely absent. In sum, given the rigidity of the system, regional political elites have not played an important role in the establishment of institutional asymmetries, which, as a consequence, do not clearly reflect different levels of territorial mobilisation.

In Spain the situation is quite different, since the powers of the Autonomous Communities (AC or AACC) are not clearly defined by the constitution and regions have the right to determine their autonomy in a bilateral bargaining process with the central government (Henders, 2010). This model has been defined as flexible and dynamic, since it is based on the willingness of individual regions to demand higher levels of autonomy (Morata, 2001). At the same time, central authorities have tried to balance regionalist demands by also establishing and empowering regional institutions where regional identities are weak or absent. Moreover the Spanish government has often opposed radical demands for further fiscal and decision-making autonomy advanced by territorially mobilised AACC such as Catalonia and the Basque Country. Therefore, the Spanish system can be considered as *moderately flexible*. It allows for the existence of some formal asymmetries in regional authority that depend on the intensity of territorial mobilisation but, at the same time, it tries to limit and counter-balance any demands for autonomy that are deemed too radical.

Finally, in Great Britain, asymmetries have had very strong links to territorial demands for self-government, at least since the late 1990s. Indeed, democratically elected regional governments have been established only where regionalist and sub-state nationalist movements have been traditionally strong, that is, in Scotland and

Wales. Additionally, regional authorities of Scotland enjoy more powers than those of Wales because the strength of territorial mobilisation has been higher in the former region than in the latter. On the other hand, attempts to establish regions in England, where territorial cleavages are almost completely absent, have not succeeded (Keating, 2009).

These differences can be useful to understand if, as illustrated in H3, varying institutional contexts in which territorial movements emerge and compete are likely to change the way such movements favour the construction of regional welfare systems. The general expectation is that in Italy regionalist parties have mainly had a *direct* effect on welfare development since they have not been able to obtain special powers for individual regions through bilateral bargaining with central authorities. Therefore they might have promoted region-specific social models by using *standard* regional authority in a 'creative' way. On the other hand, regionalist movements in Spain and, even more so, in Great Britain might have also had an *indirect* positive effect on sub-national welfare development by contributing to the establishment of formal institutional asymmetries.

The second important difference across the three countries is the role that mainstream centre-left parties have played in central government and their relationship with regionalist movements. In Italy, the largest party of the Left did not control the central government for most of the post-war period. Between 1948 and 2013, the Left has been the main governmental force for only seven years (from 1996 to 2001 and from 2006 to 2008). On the other hand, it has been the dominant political actor in some regions (particularly in Emilia Romagna and Tuscany) where territorial mobilisation has been absent or relatively weak.

In Spain, the largest centre-left party, the Socialist Party (PSOE), has controlled the government for more than 20 years since 1980. The relationship between regionalist and left-wing mobilisations has been generally rather weak and, despite the existence of small, left-wing regionalist parties in Catalonia, Galicia and the

Basque Country, the Left has obtained better results in those regions in which territorial mobilisation has been relatively weak (e.g. Andalusia, Castile La Mancha, Extremadura).

Finally in Great Britain, the Labour Party has been the dominant party in central government for most of the post-devolution period (from 1997 to 2010). However, left-wing mobilisation has been strongly linked to territorial mobilisation in devolved Scotland and Wales, where the Labour party has had to compete with strong centre-left regionalist parties. At the same time, in other 'regions' of England, like the North-East, left-wing mobilisation has not been influenced by territorial issues.

These differences in the 'territoriality' of left-wing strength are useful to test H5 and H6. I expect to find very different effects of left-wing mobilisation in the regions of Italy, Spain and Great Britain. In the former country, long-term exclusion from (or the marginal role played in) central government is expected to have made the Italian Left more sensitive to the construction of distinctive models of welfare at the regional level. This has occurred regardless of the existence of regionalist parties. In Spain, the opposite may have happened. By controlling central policy-making, the Spanish Left may not have played an active role in (or may even have opposed) the construction of region-specific welfare systems. Finally, the pressures coming from centre-left territorial movements in Wales and Scotland may have prompted local Labour leaders to support sub-state welfare development in these two regions even though the Party also controlled the central government. Table 1.3 summarises the similarities and differences across the three countries included in this study.

Table 1.3. Summary of main characteristics of countries analysed in this study

	Italy	**Spain**	**Great Britain**
Welfare Legacy	Conservative/Southern European	Conservative/Southern European	Liberal
Health care System	National Health care System (Taxation-based)	National Health care System (Taxation-based)	National Health care System (Taxation-based)
Process of decentralisation	From centralised to decentralised (high 'self rule', weak 'shared rule')	From centralised to decentralised (high 'self rule', weak 'shared rule')	From centralised to decentralised (high 'self rule', weak 'shared rule')
Territorial mobilisation (above 10% of regional vote)	Yes Main Parties: SVP, UV, Northern League	Yes Main Parties: CiU, PNV, UPN, BNG, CC	Yes Main Parties: SNP, PC
Statewide centre-left parties controlling more than 50% of left-wing vote	Yes Main party: PCI/PDS/DS/PD	Yes Main Party: PSOE	Yes Main Party: Labour Party
Asymmetries in regional autonomy	Rigid dual system (Ordinary vs Special regions since post-war period)	Moderately flexible system	Flexible system (since 1997) reflecting different levels of territorial mobilisation
Role of centre-left parties in central government (1980—2010)	Mainly in opposition (exception 1996—2001 and 2006—2008)	Mainly in government (exception 1996—2004)	In opposition before devolution (1979-1997). In government after devolution (1997-2010)
Link between territorial and left-wing mobilisation	Absent	Generally weak	Strong in Scotland and (less so) in Wales. Absent in England.

Combining quantitative and qualitative analyses

In the study of the Italian and Spanish cases I adopt what Lieberman (2005) defines as a 'nested analysis', combining both quantitative and qualitative methods. Since both countries have a relatively large number of regions it is possible to quantitatively assess the impact of territorial and left-wing mobilisations across the whole national territory. This can be done by collecting a large amount of data on regional social spending, legislation and implementation and assessing their correlation with region-specific political, socio-economic, institutional and demographic factors. After this preliminary and general analysis, one can then refer to a small number of relevant regional cases to gain a better understanding of causal mechanisms that cannot be quantitatively detected. This also implies a shift from a 'macro-' to a 'micro-' model of analysis, which takes into account different interactions between relevant policy making actors (Kreppel 2002). The combination of both quantitative and qualitative methods is strongly encouraged in the study of social and political phenomena (Keohane, 2004: 44), as it is considered a good practice to maximise the validity of inferences. In the case of Great Britain, the focus is on Scotland, Wales and England and, therefore, I mainly rely on case study analysis.

In addition, in-depth case study analysis may provide some additional information on *qualitative* differences that exist among equally strong models of regional welfare and cannot be detected by relying only on quantitative analysis. Indeed, so far I have focused on the existence of cross-regional differences in the *level* of welfare development. Yet it should be underlined that equally strong models of regional welfare, in which sub-state institutions and actors play a central role in financing, planning and implementing social services, may differ quite substantially in *qualitative terms*. For instance, one important difference in the *type* of governance can be found in the interaction between private and public actors in welfare provision. Public institutions may still regulate and finance social programmes but,

at the same time, they may delegate policy implementation to private actors. The result is a clear division of competences between (public) 'regulator-financier' and (private) 'provider'. This *horizontal subsidiarity* is thought to increase competitiveness among welfare providers and, consequently, boost efficiency (Pavolini, 2008; Ciarini 2012). Furthermore, there might be variation in the participation of social partners, such as trade unions and employers' organisations, in welfare governance. Strong welfare models may also differ in the role played by municipalities and local authorities in planning and implementing social schemes.

Lastly, differences across welfare systems may be detected by considering what kind of socio-political equilibrium each model ultimately promotes. The early welfare literature (Esping-Andersen, 1990) suggests that the welfare state is 'an active force in the ordering of social relations' (Ibid.: 23). Also, Birrell has argued that highly developed welfare models may be characterised by different *principles of allocation* (universalism vs selectivity) and different *underpinning values* (i.e. different visions of social justice and different emphasis on equality, collectivism and individualism). Thus it can be argued that region-specific '*systems of social stratification*' may *qualitatively* vary depending on whether regional social programmes suffer from some 'social bias' and focus on particular sectors of society or promote a specific idea of social justice. For instance, individual citizens can be seen as *customers*, who are free to choose among competing welfare providers, or as beneficiaries of a *universal and homogeneous system of social protection*. Regional governments can also decide to invest resources in the development of social programmes that are tailored to the needs of specific socio-economic groups and/or actively support the role of *traditional* families as the keystone of social cohesion. At the same time, some social schemes may stigmatise or even exclude 'marginal' social groups (i.e. immigrants or linguistic/ethnic minorities).

Variation in the *type* of welfare governance can be explained by the fact that political actors do not act in a 'vacuum' but, as underlined by Greer (2004), they are

part of a broader political and social system ('policy community'), which may influence their preferences and decisions in the policy making process. For instance, in order to advance their project of region-building, territorial movements need to establish alliances with other political parties, social movements and interest groups. These territorial alliances may also be called regional 'developmental coalitions' (Keating 1997). Therefore, whereas *quantitative* differences in the *strength* of regional welfare models may be explained by variation in the *level* of mobilisation of territorial or left-wing political forces, *qualitative* differences may depend on the way such forces interact with other social, institutional and political actors. Case study analysis may therefore be more useful than quantitative analysis to shed light on regional coalition building and its effects on the structure of welfare governance.

Table 1.4 summarises the two-step analysis combining quantitative and qualitative methods that will be performed in each country-specific section.

Table 1.4. Summary: A two-step analysis of sub-state welfare development

Step 1. Assessing and explaining the *level* of regional welfare development **Methods: Quantitative and Case Study Analyses**	**Once 'strong' models of regional welfare have been detected** ⟶	**Step 2. Assessing and explaining the *type* of sub-state welfare development** **Method: Case Study Analysis**
Indicators: - Spending: aggregate social spending - Legislation: extensiveness and innovation of regional social legislation - Implementation: coverage, efficiency of social services, sustainability		Indicators: - Relationship between public and private actors - Involvement of social actors and/or municipalities in welfare governance - Principles/underpinning values of welfare model promoted
Explanatory variables: - Political variables: Strength of territorial and left-wing political parties - Control variables: Demographic, socio-economic and institutional characteristics of the region	-	Explanatory variables: - Policy community: interaction between regional political, social and institutional actors. - Process of regional coalition building

Addendum: Other social policies, the EU and the process of region building

Beyond social assistance and health care

As stated previously, this study mainly focuses on health care and social assistance policies, which are considered as the 'core' of new regional welfare systems. For instance, in most Italian regions between 60 and 70 per cent of public spending is allocated to these policy areas[8]. In Scotland, the devolved government spends one third of its total budget on 'Health and Well Being'[9]. This figure does not include another 30 per cent of funding that is allocated to local governments, which in turn provide many social services[10], often implementing the more general plans developed by the Scottish government. A similar central role of health care and social assistance can be found in the case of Spanish Autonomous Communities[11].

However, some studies have pointed to the fact that other social policies have been affected by processes of decentralisation. For instance, labour market policies have undergone both functional and territorial transformations. Indeed, as underlined by Ferrera (2005: 1999) 'the shift from a passive to an active approach… has promoted an increasing territorial embedding of public policy in this sector'. Although systematic data for this policy sector are not analysed in the empirical part of this research, it is worth mentioning that labour market policies may also be part broader social plans and may become an instrument of regional welfare building. In the section dedicated to Italy, I show that, as in the case of health care and social assistance policies, there is substantial cross-regional variation in the level of development of active labour market policies, which may thus be seen as another interesting case of increasing territorial fragmentation of welfare.

[8] See http://www.issirfa.cnr.it/1219,1018.html (date of access 27/07/2015).

[9] See http://www.scottish.parliament.uk/budget/track-the-budget/stacked-group-bars-2015/stackedbar.html (date of access 27/07/2015).

[10] See http://www.gov.scot/Resource/0048/00481380.pdf (date of access 27/07/2015)

[11] See http://serviciosweb.meh.es/apps/publicacionpresupuestos/aspx/inicio.aspx (date of access 27/07/2015).

The decision to focus on social assistance and health care policies is mainly driven by the need to limit the scope of the empirical analysis, which would require a very broad set of indicators (not always available at the sub-state level) for each additional policy sub-field, but also by theoretical concerns. Indeed the effects of contextual factors (particularly demographic and socio-economic factors) may substantially vary across different sub-fields of welfare. Including labour market policies would therefore increase the complexity of the two-dimensional (cross-regional and cross-country) comparative approach employed by this study by adding a third dimension, that is, a comparison across different welfare sub-fields. Moreover, it would not allow controlling for similar welfare legacies across the three countries analysed here. Indeed, whereas we can note similar underlying characteristics in the structure of health systems[12] across Spain, Italy and Great Britain, notably the fact that they are all 'taxation-based', we cannot say the same in the case of labour market policies. Similarities may exist between Italy and Spain (Ferrera, 2005b) but not between these two cases and Great Britain (Hemerjick, 2013). This does not mean, however, that future studies should neglect the plural character of welfare and, for instance, test whether the same political dynamics that seem to affect sub-national health care and social assistance are also relevant for labour market policies[13]. Other interesting policy areas that could be studied in depth are education (particularly in Spain and Great Britain), supplementary pension schemes

[12] This legacy also had an effect on social assistance policies, particularly elderly care and child care, traditionally linked to health care. This is why in this study analyses both health care and social assistance as part of increasingly integrated social plans. In Italian regions the integration of social and health care is often promoted through the *Piano Sociosanitario*. In Spain the *Plan Sociosanitario* defines a similar ambitious project. Also in the devolved governments of Great Britain linking social assistance to health care (and vice versa) has become one of the main goals of public institutions (see for instance the Scottish government website http://www.gov.scot/Topics/Health/Policy/Adult-Health-SocialCare-Integration).

[13] Evidence presented in the quantitative analysis of the section on Italy seems to suggest that territorial mobilisation also plays an important role in the development of sub-state labour market policies.

and immigration policies. Some aspects of such policies are analysed in the qualitative parts of each country-specific section[14], although not in a systematic way.

The European Union and regional welfare systems

A focus on labour market policies would in turn require paying more attention to the impact of the European Union on the process of welfare building at the regional level. Indeed, the EU has played a direct role in policy fields such as employment and labour mobility through the Structural Funds, which have often been seen as the best example of a new social Europe based on the alliance between supra-national and sub-national actors. Yet the importance of such transfers has often been exaggerated. Indeed, Kleinmann (2002: 117) has argued that although Structural Funds represent a large share of the EU budget, 'member states still dominate the budgetary process as a whole'. Generally, 'the Funds remain small scale; national governments retain a high degree of influence; regional input is fragmented and variable; and spillovers to other policy fields are limited' (Ibid.).

The weakness of EU 'spillovers' to other welfare sub-fields seems to be confirmed by the fact that the EU is rarely mentioned as an important player in the promotion of sub-national health care and social assistance policies in European countries (there are many examples of this. See, for instance, Pavolini [2008], Madama [2010], Béland and Lecours [2008], Gallego et al. [2003], Greer [2004]). For this reason, the EU is not systematically included in the analysis as a variable directly affecting the development of the policy areas that are at the core of this study.

This, however, does not mean that the EU is totally irrelevant. As underlined in the literature review, one of the premises of this research is that the EU has had a general, mainly *indirect,* effect on the 'destructuring' of national welfare systems by

[14] Supplementary pensions are mentioned in the case of South Tyrol and other 'alpine' Italian regions. Immigration policies are analysed when comparing 'red' Italian regions to regions where the 'right-wing' Northern League has been stronger. Education policies are an important factor of regional welfare building in the Scottish case.

imposing constraints on the redistributive authority of central governments, promoting cross-national mobility and legitimising the political role played by sub-national authorities. It is not a coincidence that the idea of 'Europe of the Regions' started to be at the centre of the political debate during the acceleration of the process of European integration in the 1990s (Loughlin, 1996). Ferrera (2005a: 183) has also suggested that the strengthening of supra-national institutions has encouraged 'cross-border experimentation' through the development of interregional associations. Indeed, regions belonging to different countries have engaged in processes of policy integration, which often include 'a social policy component, typically in the field of health care, employment, or care services' (Ferrera, 2005a: 186). This means that territorially mobilised regions may rely on new opportunities of cooperation that often transcend central governments' control and, instead, include authorities and power centres that are outside the national borders. Two examples of interregional association, the Euroregion *Tyirol-Südtirol-Trentino* and the Four Motors of Europe, and their impact on social policy are presented in the qualitative analysis of the section on Italy. Additionally, I briefly discuss less institutionalised forms of cross-border experimentation, which are also important in territorially mobilised contexts, as the strengthening connections between the Scottish and Scandinavian countries clearly show.

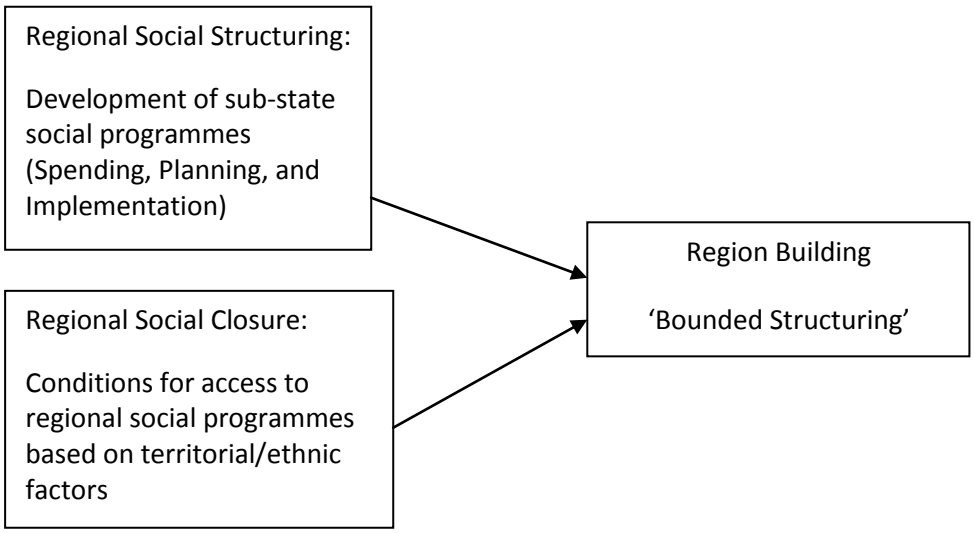
Not only 'structuring' but also 'closure': the process of region building

In the 19th and 20th centuries, social policy was an important factor in the process of 'state formation and nation building'. Today, at least in some countries, it is increasingly becoming an important instrument for 'region building'. As in the case of state formation and nation building, also region building can be seen as a phenomenon that combines 'structuring' of region-specific policies (with their consolidation and 'institutionalisation') and 'closure' of regional borders (Ferrera, 2003).

This study mainly focuses on the process of 'structuring' of regional welfare systems and investigates the sub-state political dynamics that shape such process. Yet, the broader aim of regionalist parties and territorial movements may be to use social policy as the main 'pillar' of a strategy that would radically redefine the boundaries of social citizenship. In extreme cases, welfare policies may be crucial in the process of 'closure' of regional boundaries, thus resulting in a totally separate and 'territorially bounded' welfare regime, which is only loosely linked to the social system in place in the other regions of the same country. Although the 'closure' of regional social programmes is not systematically analysed here, it should be underlined that, as shown in Figure 1.5, region building results from the combination of both welfare structuring and closure.

Looking at regulatory elements, such as language or residency requirements, that define the conditions for access to regional social programmes might provide information on the 'boundedness' of regional welfare systems. This fourth dimension can be combined to the spending, planning and implementation dimensions presented above, which, in turn, can be considered as indicators of regional welfare 'structuring'. However, the analysis of 'regional social closure' falls beyond the scope of this study and would require more theorizing and a range of empirical data that are not available at the present stage. In the qualitative analysis, the Catalan and Scottish cases are presented as examples of increasing boundedness of highly developed regional welfare systems. In the first case, the debate on language and culture as requirements to access social services is becoming increasingly salient. In the Scottish case, instead, we have a more 'civic' version of regional closure, which is more linked to residency and belonging to a political/institutional community.

Figure 1.5. Structuring and closure of regional social systems as part of the process of region building



ITALY

Chapter 2.

Italy: Territorial mobilisation and left-wing partisanship: the two paths to welfare building in the Italian regions

Introduction

Despite having a long history of territorial divisions and cultural heterogeneity, since its unification Italy has been a highly centralised country. Indeed, despite being divided into provinces, it lacked an intermediate institutional level (a 'meso-level') that was large and powerful enough to challenge the primacy of the national government and introduce innovative and distinctive policies (Musella, 2011: 18). Even though the democratic constitution approved after the Second World War established regions as a new administrative level between central and local governments, it took more than twenty years to devolve real powers and democratic representation to the new regional entities. The only exception was a group of 'special statute regions', which were created much earlier due to their geo-political and geo-cultural characteristics (Bortolussi, 2010: 43). These regions – Sicily, Sardinia, Autonomous Province of Bolzano (or South Tyrol), Autonomous Province of Trento, the Aosta Valley and Friuli Venetia Giulia[15] (Table 2.1) – were entrusted with important fiscal and policy making autonomy and they could elect their own representatives.

[15] Friuli Venetia Giulia became an Autonomous Region in 1963.

Table 2.1. Special and ordinary statute regions

Special Statute Regions	**Ordinary Statute Regions**
Aosta Valley	Piedmont
Friuli Venetia Giulia	Liguria
Autonomous Province of Bolzano (South Tyrol)	Lombardy
Autonomous province of Trento	Veneto
Sicily	Emilia Romagna
Sardinia	Tuscany
	Umbria
	Marche
	Latium
	Abruzzi
	Molise
	Campania
	Apulia
	Basilicata
	Calabria

In the 1970s fifteen 'ordinary' status regions with common regulations were established and, as already underlined in the previous chapter, they have substantially increased their powers in the last 20 years, thus becoming important arenas of policy making (Vassallo, 2013). This also implied a process of 're-symmetrisation' and decreasing differences between 'ordinary' and 'special' statute regions (Amoretti, 2011). More generally, since 1970 the process of decentralisation in Italy has not been targeted at individual regions but has involved the whole national territory. As highlighted by Francese and Romanelli (2011: 7), today the persisting differences between ordinary and special status regions mainly concern the composition of financing (share of own resources versus funds drawn from national general taxation) and are not so significant in terms of policy making (particularly in the fields of health and social care).

The aim of the next section is too see how this process of decentralisation has been accompanied by transformations in welfare governance in Italy. Through this historical account of the evolution of Italian social policies, it is possible to

contextualise the emergence of region-specific models of welfare governance in recent years.

Transformations and territorialisation of the Italian welfare state

Although initially classified as a 'conservative' welfare system (Esping-Andersen, 1990), Italy has often been included in the group of 'southern European' or 'Mediterranean' welfare states characterised by high *functional* fragmentation (Picot, 2012), clientelism, familism and underdeveloped social services (Saraceno 1994; Ferrera 1996, 2005b; Antonnen and Spilä 1996; Eardley et al., 1996; Rhodes 1997). The policy making process was dominated by the Christian Democratic Party which was, however, quite different from its European counterparts, like the CDU or the ÖVP, and did not fully promote the emergence of a 'social market economy' (Van Kersbergen, 1995). However, in the 1970s elements of universalism were added to the Italian model. In 1978 the insurance-based and highly fragmented health care system was replaced by a national health care system (*Sistema Sanitario Nazionale,* SSN), which was universal and taxation-based (like the British and Scandinavian systems).

The construction of the Italian welfare system was also linked to processes of centralisation and 'nationalisation' of politics and social rights (which, however, remained *functionally* fragmented [Picot, 2012]). As pointed out by Ferrera (2005a: 193):

> Italy's welfare state followed rather closely the historical parabola of 'nationalisation' [...] The first compulsory social insurance schemes were introduced between 1898 and 1919, breaking with the tradition of localized and discretional assistance offered by religious charities and (later) friendly societies. The system of national social insurance was completed and consolidated during the 1950s and 1960s.

Municipal and provincial administrations played a 'residual' role in the social assistance sector as they were 'the main loci of (public) response to social needs not covered by national insurance schemes' (Ibid.: 198). Such administrative entities were too small and lacked the economic and administrative resources that would allow them to build welfare models with markedly distinctive characteristics.

It may seem a paradox but the process of decentralisation started in the 1970s, that is, when the National Health System was created and the construction of a statewide welfare system was completed. Regional assemblies and governments were created in 1970 (although four special regions and two autonomous provinces had been created much earlier) but only in 1977 were they were granted some (very limited) powers in the area of social assistance (Fargion, 1997: 97 – 107). In the health sector, regions only had planning and coordination powers whereas municipalities were more actively involved in the administration of the newly created SSN. Indeed, the establishment of local agencies (*Unioni Sanitarie Locali* or USL) facilitated the participation of mayors and local politicians in the governance of health services (Pavolini and Vicarelli, 2013: 200).

In 1992-1993 the crisis of the Italian welfare system became evident (Ferrera and Gualmini, 2004) and the process of regionalisation accelerated. Regions became important actors in the administration of health care, taking power away from both central government and municipalities (Ferrera, 2006: 206–211). As underlined by Saraceno (1994: 65):

> Reforms introduced in late 1992, aimed at decreasing the heavy public debt, have reduced the scope of the universalism of the health system and increased geographical differentiation in the provision and cost of social services.

Also Giannoni and Hitiris (2002: 1829) confirm that healthcare reforms approved in the 1990s increased interregional inequality 'aggravating [...] existing regional divergence'. With the constitutional reform ratified in 2001, regional levels

of government were entrusted with primary responsibility in three social policy fields: health care, social assistance and active labour market policies (Fargion, 2005). Particularly in the field of health care, the role of the state has been limited to the provision of a general framework in which each regional administration has been encouraged to develop region-specific institutional arrangements (Benassi and Mussoni, 2013: 173). Social insurance, including pension schemes and unemployment benefits, is still controlled by central authorities (although, as shown in the following sections, some regions like South Tyrol have promoted complementary pension schemes).

It is therefore evident that in recent years regions have been offered increasing opportunities to develop comprehensive welfare reforms, particularly in the sectors of health care and social assistance. The reforms of the 1990s and early 2000s not only devolved these two policy sectors to sub-national administrations but also pushed for more integration between them, stressing the importance of regional social plans that addressed illness, inequality, deprivation and social exclusion as inter-linked problems (Turati, 2013:54). In this context, it is important to understand whether and why some regions have been more able or willing than others to exploit such opportunities and establish what I define as a 'strong' model of welfare. In the next section I therefore try to quantify cross-regional variation in welfare development by focusing on the three dimensions presented in the previous chapter: spending, legislation and effective implementation.

When regions become arenas of 'new welfare building': measuring territorial differences in Italy

As mentioned in the previous section, between the early 1990s and mid 2000s, all Italian regions had increasing opportunities to establish their own programmes particularly in the sectors of social assistance and health care. Since 1992 a large

number of reforms was approved and culminated in the constitutional reform of 2000-2001 that transformed Italy into a quasi-federal political system. Therefore it would be interesting to see whether the regional welfare systems that emerged during this period of intense reform were characterised by different degrees of strength.

Spending

As mentioned in the theoretical framework of this study, the first important indicator that can be used to assess the level of regional welfare development is spending. Here I consider aggregate per-capita spending in two policy areas: social assistance and health care. The data are provided by the Ministry of Economic Development and cover the 1996—2011 period. Table 2.2 shows that total social spending is highest in the Aosta Valley and lowest in Campania. We assign the score 1 to the leading region, thus rescaling all the other regions to a 0-1 range. This is a useful statistical device aimed at making spending more comparable to the measures of planning/innovation and efficiency that will be presented in the next paragraphs and allowing the final multiplication of the three scores.

Table 2.2. Average regional spending (euros per capita) in Health care and Social Assistance[16] (1996—2011)

	Health care	Social Assistance[17]	Total Spending	0 – 1 score
Aosta Valley	2013	464	2477	**1**
Bolzano- South Tyrol	1754	569	2323	**0.94**
Trento	1586	673	2259	**0.91**
Lombardy	1523	174	1697	**0.69**
Emilia Romagna	1550	144	1694	**0.68**
Umbria	1590	87	1677	**0.68**
Sardinia	1408	190	1598	**0.65**
Tuscany	1419	106	1525	**0.62**
Veneto	1410	107	1517	**0.61**
Friuli Venetia Giulia	1283	221	1504	**0.61**
Latium	1372	114	1486	**0.6**
Piedmont	1347	109	1456	**0.59**
Marche	1339	111	1450	**0.59**
Calabria	1357	47	1404	**0.57**
Abruzzi	1298	76	1374	**0.55**
Liguria	1261	110	1371	**0.55**
Sicily	1233	117	1350	**0.55**
Basilicata	1224	73	1297	**0.52**
Apulia	1238	54	1292	**0.52**
Molise	1214	61	1275	**0.51**
Campania	1197	59	1256	**0.51**

Source: Ministry of economic development http://www.dps.tesoro.it/cpt/cpt.asp

Legislation/Regulation/Planning/Innovation

The second indicator is the role that regional governments play in planning social programmes. For this section I use the data provided by Pavolini (2008), who in turn relied on reports by Mapelli (2007) and Maretti (2008). He provides scores that, on the basis of regional legislation, assess the planning and innovation capacity of

[16] Social Assistance spending includes regional and municipal spending since a large part of financial resources is transferred from regions to local authorities and then spent by the latter.

[17] Sum of local and regional spending in social assistance policies.

regional governments in the period that goes from the early 1990s to the late 2000s. Pavolini's study considers social assistance and health care policies. The score of planning for social assistance ranges from 0 (inexistent) to 3 (very strong), whereas the one for health care ranges from 0 (inexistent) to 4 (very strong). I rescaled each of these scores to a 0 to 1 range (1 being the maximum and 0 the minimum) and then calculated the sum. Finally I assigned the score 1 to the region with the highest sum and adjusted the other scores proportionally. The results are summarised in Table 2.3. It can be noted that Tuscany is the region with the highest capacity to plan and innovate, followed by Lombardy and the Aosta Valley. At the bottom of the ranking we find Latium, Calabria and Campania.

Table 2.3. Social legislation of Italian regional governments

	Original Score Health	Original Score Social Assistance	0-1 Score Health	0-1 Score Social Assistance	Sum	**Final 0-1 Score**
Tuscany	4	2.5	1	0.833	1.833	**1**
Lombardy	3	3	0.75	1	1.75	**0.95**
Aosta Valley	3	3	0.75	1	1.75	**0.95**
Bolzano- South Tyrol	3	2.5	0.75	0.833	1.583	**0.86**
Sardinia	4	1.5	1	0.5	1.5	**0.82**
Friuli Venetia Giulia	3	2	0.75	0.667	1.417	**0.77**
Emilia Romagna	3	2	0.75	0.667	1.417	**0.77**
Marche	4	1	1	0.333	1.333	**0.73**
Umbria	3	1.5	0.75	0.5	1.25	**0.68**
Liguria	3	1.5	0.75	0.5	1.25	**0.68**
Abruzzi	3	1.5	0.75	0.5	1.25	**0.68**
Molise	3	1.5	0.75	0.5	1.25	**0.68**
Basilicata	3	1.5	0.75	0.5	1.25	**0.68**
Piedmont	2	2	0.5	0.667	1.167	**0.64**
Trento	1	2.5	0.25	0.833	1.083	**0.59**
Veneto	1	2	0.25	0.667	0.917	**0.5**
Sicily	2	1	0.5	0.333	0.833	**0.45**
Apulia	3	0	0.75	0	0.75	**0.41**
Latium	1	1.5	0.25	0.5	0.75	**0.41**
Calabria	3	0	0.75	0	0.75	**0.41**
Campania	2	0	0.5	0	0.5	**0.27**

Source: Pavolini (2008)

Effective Implementation

Finally, I turn to the third dimension, that is, effective implementation of social services. In this case I rely on data collected by Mapelli (2007) and ISTAT[18]. Most of these data have also been summarised by Pavolini (2008). Mapelli has provided a health care score that is measured through a bi-dimensional scale ranging from 0 to 100 and considers both the implementation process and the final performance of

[18] ISTAT is the Italian Statistical Office (www.istat.it)

health care services. I have also used Eurostat data that indicate the average number of hospital beds and long-term care places per 100,000 inhabitants over the last two decades. Finally I have also taken into account the percentage of children and old people that have access to specific social services (ISTAT data that are also reported in Pavolini [2008]).

Also in this case, all measures have been rescaled to a 0–1 range, where 1 is the best score and the other scores are proportionally adjusted, and their sum has been calculated. The region with the highest sum is in turn assigned a score of 1 and, again, the other results are adjusted. Results are presented in Table 2.4. Trento, the Aosta Valley and Emilia Romagna are the regions where welfare services are generally most extensive and efficient. Calabria, Apulia, Campania and Basilicata are the worst performing regions.

Table 2.4. Effective implementation of social services in Italian regions

Regions	Mapelli's Score health care		Hospital beds per 100,000 inhabitants		Long-term care places per 100,000 inhabitants		Access to childcare (% of children below 3)		Access to elderly care (% of people above 65)		Sum	Final 0—1 score
	Original score	0–1 score	Number	0–1 score	Number	0–1 score	Number	0–1 score	Number	0–1 score		
Trento	61	0.77	424	0.82	885	1	15.5	0.38	5.4	0.5	3.47	**1**
Aosta Valley	55	0.7	342	0.66	65	0.07	40.3	1	10.9	1	3.43	**0.99**
Emilia Rom.	67	0.85	446	0.86	472	0.53	28.3	0.7	5.5	0.5	3.45	**0.99**
Bolzano/ S. T.	57	0.72	466	0.9	554	0.63	9.6	0.24	8.4	0.77	3.26	**0.94**
Veneto	61	0.77	397	0.77	631	0.71	10.7	0.27	7.5	0.69	3.21	**0.93**
Lombardy	68	0.86	419	0.81	630	0.71	13.7	0.34	5	0.46	3.18	**0.92**
Tuscany	71	0.9	381	0.74	314	0.35	20	0.5	3.2	0.29	2.78	**0.8**
Friuli V.G.	79	1	391	0.76	550	0.62	10.9	0.27	5.3	0.49	3.13	**0.9**
Piedmont	64	0.81	413	0.8	411	0.46	13.5	0.33	3.2	0.29	2.7	**0.78**
Liguria	63	0.8	409	0.79	191	0.22	16.8	0.42	2.3	0.21	2.43	**0.7**
Sardinia	34	0.43	428	0.83	85	0.1	4	0.1	9.1	0.83	2.29	**0.66**
Marche	59	0.75	394	0.76	122	0.14	17.2	0.43	2	0.18	2.26	**0.65**
Latium	56	0.71	517	1	99	0.11	10.3	0.26	1.9	0.17	2.25	**0.65**
Umbria	67	0.85	322	0.62	224	0.25	13.7	0.34	1.6	0.15	2.21	**0.64**
Molise	48	0.61	499	0.97	22	0.02	3.9	0.1	5.3	0.49	2.18	**0.63**
Abruzzi	53	0.67	410	0.79	157	0.18	7.2	0.18	3.2	0.29	2.12	**0.61**
Sicily	39	0.49	347	0.67	46	0.05	4.88	0.12	6.4	0.59	1.93	**0.56**
Basilicata	39	0.49	333	0.64	71	0.08	5.6	0.14	1.8	0.17	1.52	**0.44**
Apulia	37	0.47	378	0.73	71	0.08	5.3	0.13	1.3	0.12	1.53	**0.44**
Campania	45	0.6	320	0.62	31	0.03	2.1	0.05	2.5	0.23	1.51	**0.44**
Calabria	30	0.38	404	0.78	79	0.09	2.3	0.06	1.3	0.12	1.43	**0.41**

Sources: Pavolini (2008); Mapelli (2007); Eurostat; ISTAT.

Measuring the strength of regional welfare models

We now have an estimation of how each Italian region scores on the three important dimensions used to measure overall welfare development at the sub-state level. As argued in the theoretical chapter, rather than adding these three dimensions, it would be better to multiply them. Indeed, a region might spend a lot on social programmes without playing any role in coordinating and regulating such programmes or effectively implementing them. A multiplicative index better detects significant cross-dimensional discrepancies and 'rewards' those regions that score consistently well across all three dimensions whereas it punishes those that have inconsistent or consistently negative results.

In the correlation matrix below (Table 2.5), it can be noted that these dimensions are positively correlated with each other but such correlations are far from perfect or very high. For instance, the correlation between spending and legislation is only 0.49 and between legislation and implementation it is slightly above 0.6. The existence of inconsistent scores across the three dimensions makes the use of a multiplicative index preferable to an additive one (this will be even more evident in the Spanish and British cases).

Table 2.5. Correlation matrix including the three dimensions of welfare development (Number of cases: 21 regions)

	Spending	**Legislation**	**Implementation**
Spending	*1.0000*		
Legislation	*0.49*	*1.0000*	
Implementation	*0.72*	*0.61*	*1.0000*

Table 2.6 shows the results of the multiplicative index, which may range from a maximum of 1 to a minimum of 0. In reality, no region scores 1 in all the three

dimensions, thus obtaining the maximum possible final score, but regions such as the Aosta Valley, South Tyrol and Lombardy score consistently well and therefore have the highest multiplicative scores. On the contrary, Sicily, Apulia, Calabria and Campania have consistently low scores and, consequently, they are at the bottom of the ranking. The scores of other regions, such as Latium, Basilicata, Sardinia and the Veneto, are penalised by the existence of cross-dimensional inconsistencies (the puzzling case of the Veneto will be discussed in Chapter 3 together with the qualitative analysis of the Lombard case). Generally, it can be noted that there is significant variation in the development of health and social assistance policies across Italian regions. The following sections refer to the main hypotheses of this study and provide an explanation of territorial variation in welfare development by focusing on different levels of mobilisation of regionalist or left-wing political parties in Italian regions. The general question that will be answered is whether centre-periphery and left-right cleavages have affected the process of welfare building that has occurred in the last few decades at the sub-national level.

Table 2.6. Applying the multiplicative index to Italian regions: measuring the level of development of regional welfare systems (focus on health care and social assistance).

Region	Spending	Legislation	Implementation	Multiplicative score
Aosta Valley	1	0.96	0.99	**0.95**
South Tyrol/Bolzano	0.94	0.86	0.94	**0.76**
Lombardy	0.69	0.96	0.92	**0.61**
Trento	0.91	0.59	1	**0.54**
Emilia Rom.	0.68	0.78	0.99	**0.53**
Tuscany	0.62	1	0.81	**0.5**
FVG	0.61	0.78	0.9	**0.43**
Sardinia	0.65	0.82	0.66	**0.35**
Umbria	0.68	0.68	0.64	**0.29**
Veneto	0.61	0.5	0.94	**0.29**
Piedmont	0.59	0.64	0.78	**0.29**
Marche	0.59	0.73	0.66	**0.28**
Liguria	0.55	0.68	0.7	**0.26**
Abruzzi	0.55	0.68	0.61	**0.23**
Molise	0.51	0.68	0.63	**0.22**
Latium	0.6	0.41	0.65	**0.16**
Basilicata	0.52	0.68	0.44	**0.16**
Sicily	0.55	0.45	0.56	**0.14**
Apulia	0.52	0.41	0.45	**0.1**
Calabria	0.57	0.41	0.42	**0.1**
Campania	0.51	0.27	0.44	**0.06**

Territorial mobilisation in Italy since 1980

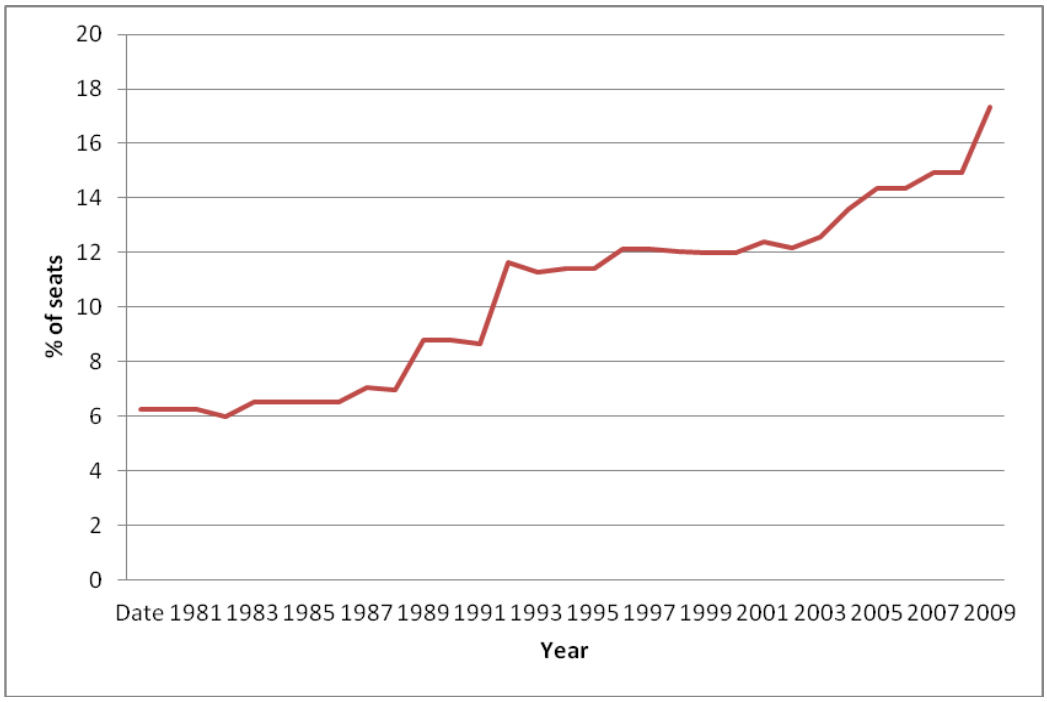
Since 1980, the average strength of regionalist parties in Italian regions has increased substantially, as shown in Figure 2.1. In the period from 1980 to 2010, the strength of regionalist parties has more than doubled, meaning that in recent years the centre-periphery cleavage has become an increasingly important factor in party competition (Alonso, 2012). In particular, it can be noted that late 1980s and early 1990s were characterised by a sharp increase in territorial mobilisation, with the emergence of the regional *leagues,* which was followed by a period of stabilisation and consolidation of that mobilisation. Finally, the 2000s were characterised by a new wave of territoriality

that resulted in a further strengthening of the electoral support for regionalist parties. In 2010 regionalist parties had, on average, three times as many regional representatives as in 1980.

In the 1980s territorial mobilisation was relatively strong only in South Tyrol-Bolzano, the Aosta Valley, Trento and Sardinia, whereas it has emerged more recently in other regions, such as Friuli Venetia Giulia, Lombardy and the Veneto (Table 2.7). In particular, Lombardy was the epicentre of the new electoral earthquake that occurred in the early 1990s, when the Northern League became an important actor in Italian politics.

What becomes evident from this preliminary analysis is that, since the 1990s, regionalist mobilisation has not just been confined to regions with strong ethno-linguistic minorities such as South Tyrol and the Aosta Valley, but it has become a more diffuse phenomenon particularly in some regions of Northern Italy (Giordano, 2000). The Northern League can be considered as the most important regionalist party to have emerged in recent decades. Its rise was linked to internal and supra-national political and socio-economic phenomena. In particular, scholars have pointed to the collapse of the old party system in the early 1990s and to processes of Europeanisation and globalisation as the main structural factors that have contributed to the electoral success of the League (Golden, 2004; Gomez Reino-Cachafeiro, 2000). At the same time, as underlined by Gomez Reino-Cachafeiro (2000), the increasing saliency of the centre-periphery cleavage has not just been a politicisation of the historical divide between North and South but it has also given 'political visibility to social and economic differences *within* the northern Italian regions' (Gomez Reino-Cachafeiro, 2000: 103, italics added). This is certainly reflected in the different levels of electoral strength of the Northern League in northern Italian regions. Lombardy, Friuli Venetia Giulia and, more recently, the Veneto are the three northern regions in which electoral support for this party has been more substantial.

Figure 2.1. Average share (%) of regional council seats controlled by regionalist parties in the 21 Italian regions 1980-2010.



Source: Ministero dell'Interno (www.interno.it)

Table 2.7. The political strength of regionalist parties from 1980 to 2010 (% of council seats controlled by regionalist parties). Averages by region.

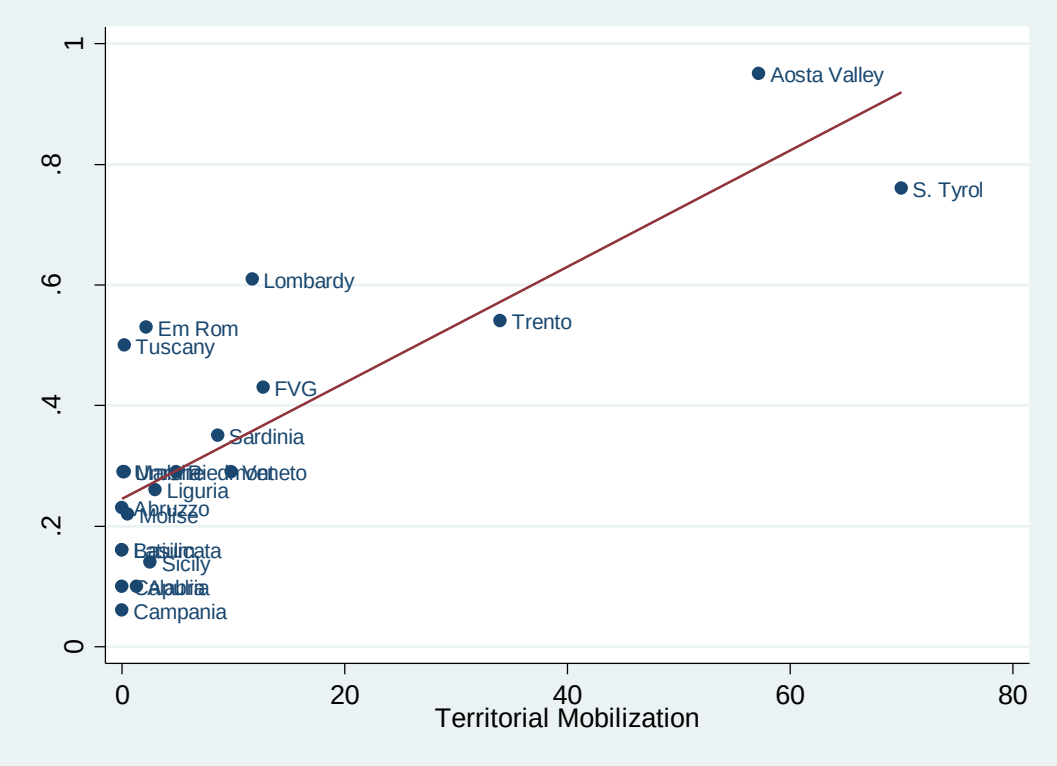
	1980S	1990S	2000S	**Average 1980—2010**
South Tyrol/ Bolzano	63.7	70.6	75	**70**
Aosta Valley	46.4	53.4	72.2	**57.6**
Trento	12.8	33.8	53.3	**34**
FVG	3	21.5	13.5	**12.7**
Lombardy	0	16.7	17.8	**11.7**
Veneto	0	10.3	18.2	**9.8**
Sardinia	10.2	7.9	7.7	**8.6**
Piedmont	0	6.7	7.7	**4.9**
Liguria	0	4.7	4.1	**3**
Sicily	0	0	7.1	**2.5**
Emilia Romagna	0	2	4.4	**2.2**
Apulia	0	0	3.7	**1.3**
Molise	0	0	1.5	**0.5**
Tuscany	0	0	0.5	**0.2**
Marche	0	0	0.4	**0.2**
Umbria	0	0	0.3	**0.1**
Abruzzi	0	0	0	**0**
Basilicata	0	0	0	**0**
Calabria	0	0	0	**0**
Campania	0	0	0	**0**
Latium	0	0	0	**0**
Average across 21 regions	6.5	10.8	13.7	**10.4**

Source: Ministero dell'Interno (www.interno.it)

The question that this study tries to address is whether the different levels of territorial mobilisation across regions is linked to the different levels of development of sub-national social models. Indeed, old and new regionalist parties may have used social policies to strengthen territorial solidarities and mobilise them against the standardising pressures exerted by central governments. Figure 2.2 highlights the existence of a strong correlation between territorial mobilisation and the multiplicative score of regional welfare development (r= .81). However, a bivariate

correlation is not sufficient to prove the existence of a strong relationship, since other factors may explain cross-regional variation in welfare development. Before moving to a multivariate model accounting for the existence of other background variables, I consider another aspect of party competition that might explain part of the cross-regional variation, that is, different levels of strength of centre-left political parties.

Figure 2.2. Correlation between regionalist mobilisation and welfare development



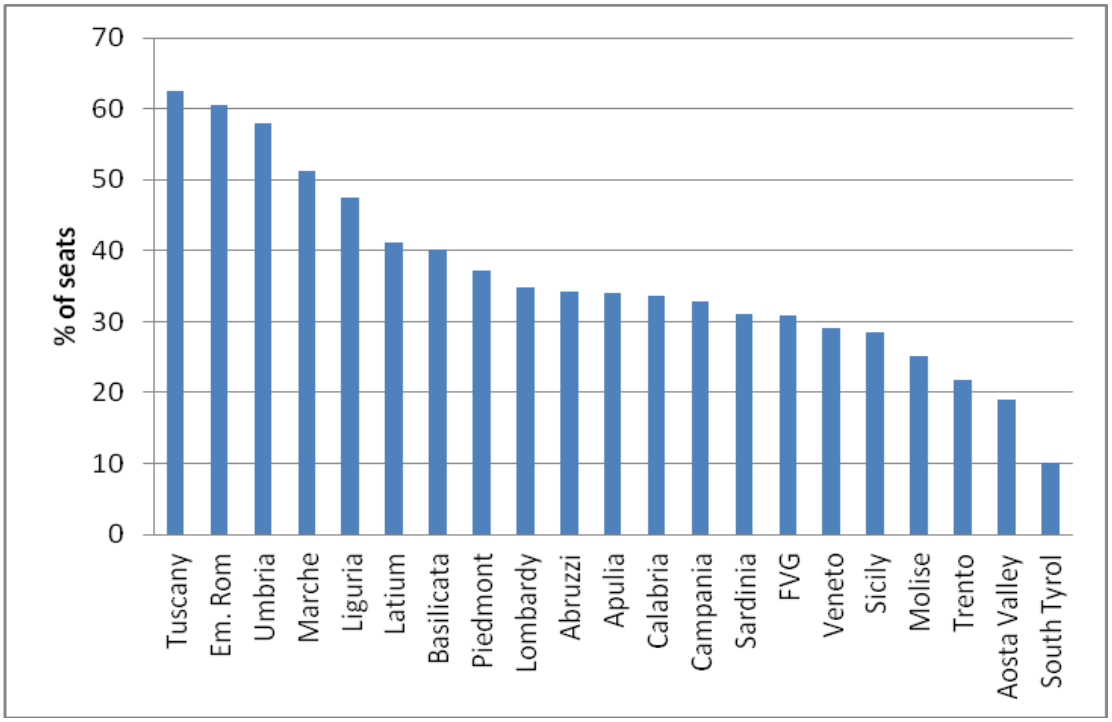
Left-wing mobilisation in Italy since 1980

Although the importance of the centre-periphery cleavage has increased significantly in the last few decades, class mobilisation has been the main factor of party competition in Italian politics for most of the 20th century. As underlined by Bartolini and Mair (1990), the class cleavage has been the dominant cleavage in Western Europe and has persisted even in the face of widespread social change during the transition from industrial to post-industrial democracy. Italy has not been an exception in this respect although, at the same time, it displays some peculiarities that

make it a 'special' case among Western democracies. For instance, the Christian democratic (before 1994) and centre-right political forces (after 1994) have played a dominant role in national politics, controlling the government for 59 years since 1945. Until the mid-1990s, in Italy there was no real alternation between left- and right-wing parties and this situation produced what has been called a 'blocked' or 'uncommon' democracy (Pempel, 1990). The Christian Democratic Party (DC) and the Communist Party (PCI) were the two largest parties, together controlling almost 70 per cent of the vote, but the latter was considered an anti-system party. It followed that strong polarisation and centrifugal, rather than centripetal, drives were encouraged (Sartori 2005: 117-120; Vampa, 2009: 351). Moreover, the political alternatives that the voters faced were, more than in other western European countries, 'significantly constrained by the political realities of the Cold War' (Sani and Segatti, 2001: 163).

In addition, Figure 2.3 shows that since 1980 the average share of regional council seats won by left-wing political parties was greater than 50 per cent in only four regions: Tuscany, Umbria, Emilia Romagna and Marche. As argued by Diamanti (2003), the main party of the Italian Left, the Communist Party and its political successors, can be considered more a regional than a national party, given the fact that their support is mainly concentrated in a few Italian regions, the so called 'red belt', and that for many decades they have played a more marginal role in central government than other left-wing parties in Western Europe (Vampa, 2009). This means that regions are likely to have become a *privileged arena* of welfare development for socially progressive political forces.

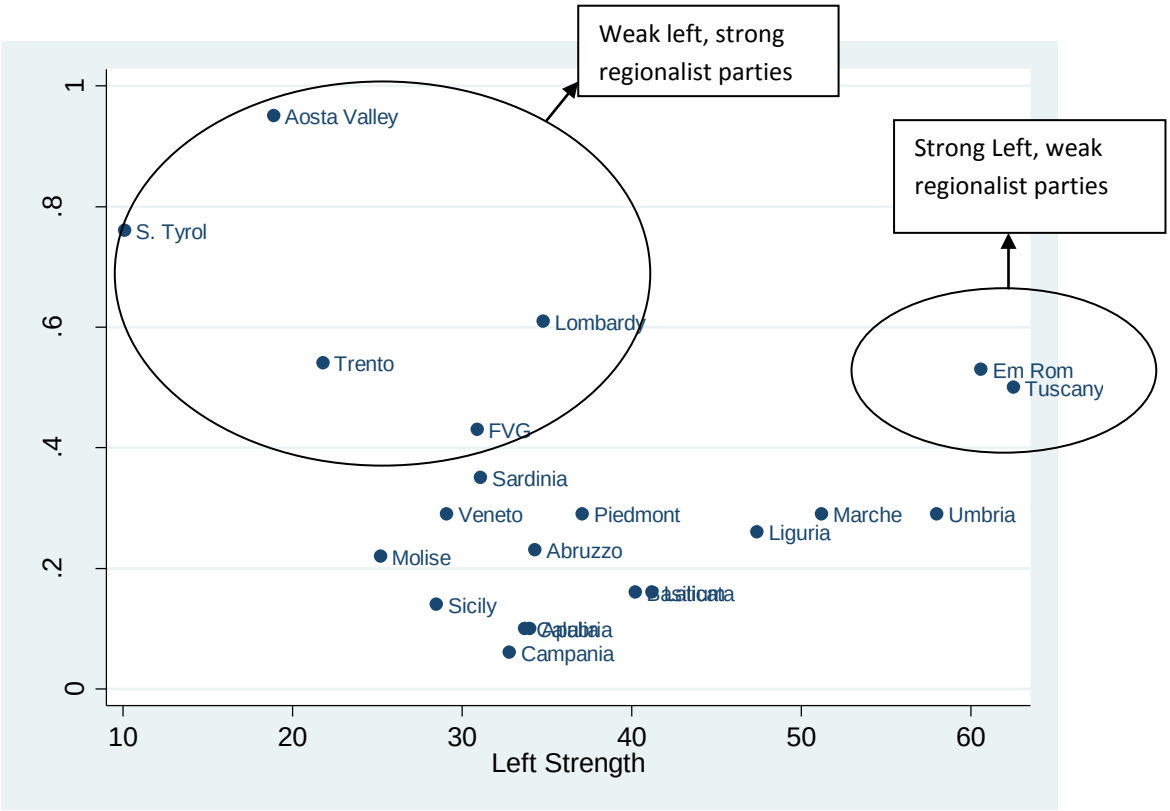
Figure 2.3. The strength of centre-left parties in Italian regions (average percentage of regional parliamentary seats controlled by centre-left parties in the 1980-2010 period)



Source: Interior Ministry, www.interno.it.

In Figure 2.4 it can be noted that there is no clear correlation between left-wing strength and welfare development in Italian regions. At the same time, the scatter plot suggests that there might have been two alternative paths to regional welfare building. Indeed, Emilia Romagna and Tuscany, the regions in which the left has had the highest political support, have levels of welfare development that are similar to those of Trento and Lombardy, where centre-left forces have been much weaker but territorial mobilisation has strengthened in recent decades. Therefore, although it is not detected in the bivariate correlation, the positive effect of left-wing mobilisation on regional welfare building might become more evident in the multivariate model presented at the end of this chapter.

Figure 2.4. Strength of left-wing parties and development of regional welfare systems

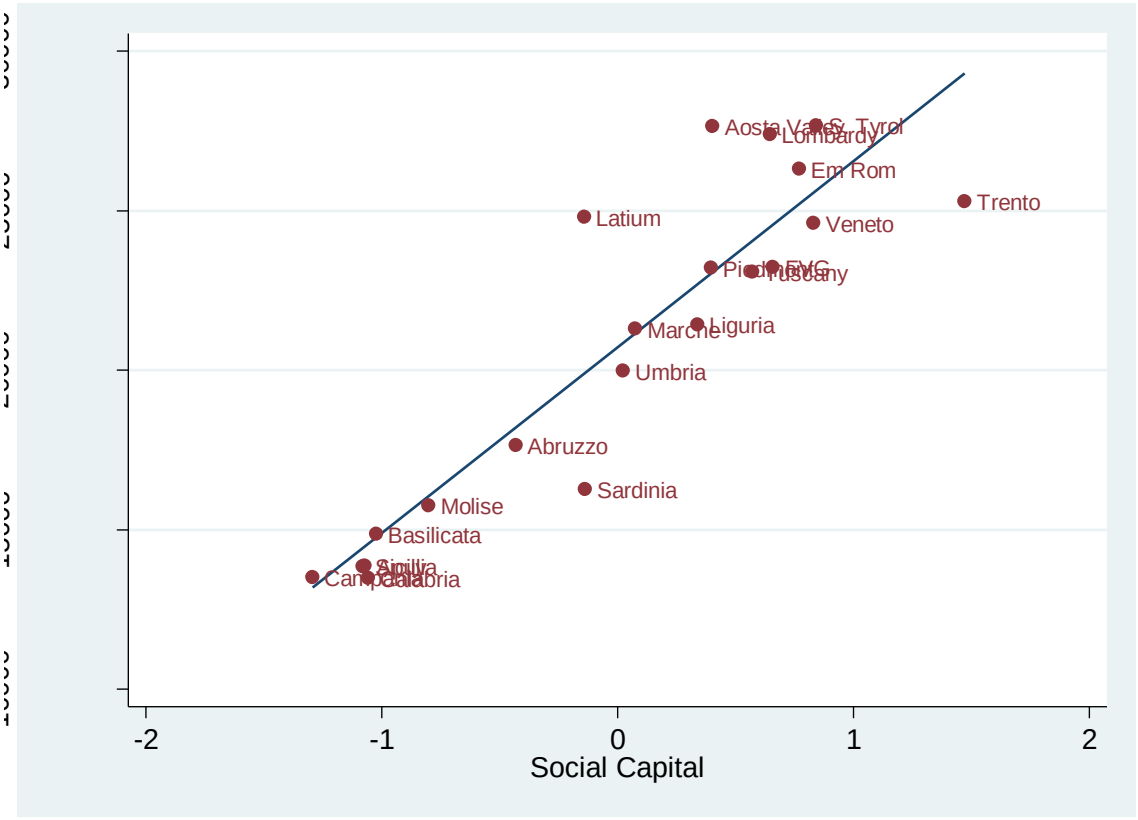


Background variables: socio-economic development, ageing (demographic vulnerability) and population size

Before testing the two alternative hypotheses, some background variables are included in the analysis. First of all, socio-economic development should be taken into account, since it is well known that there is a significant gap between central-northern and southern Italian regions. Economic development may be measured in terms of per capita GDP. However, Putman (1993) has suggested that one should go beyond purely economic development and also consider the importance of 'social capital' as a predictor of institutional performance in Italian regions. Using some indicators suggested by Putnam, social capital may be measured through an index that includes measures of referendum turnout, participation in voluntary

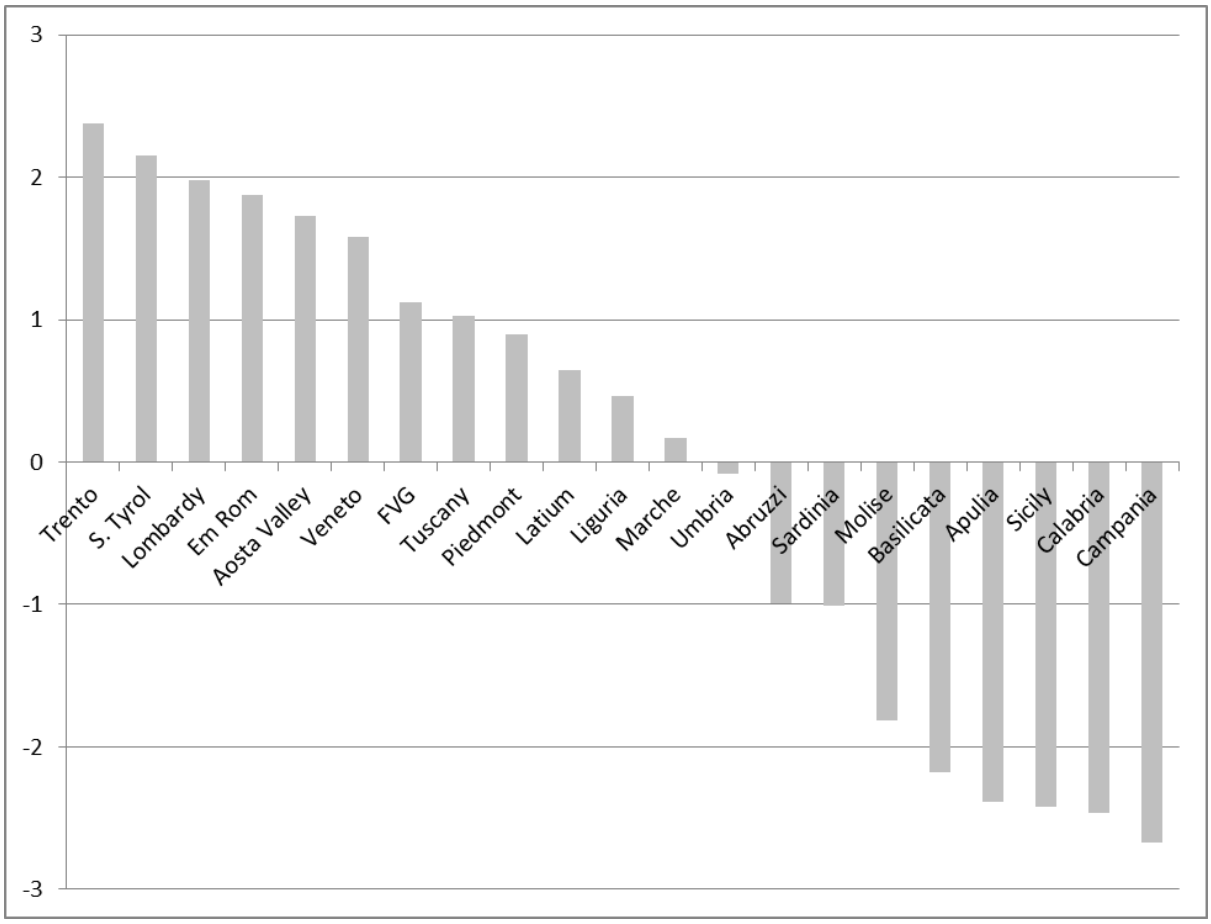
organisations and newspaper readership[19]. Figure 2.5 shows that economic development and social capital are strongly correlated (r=0.92) and this may cause problems of 'multicollinearity' in the regression model predicting the strength of regional models of welfare. Therefore, I have created an index that combines both dimensions of economic and social capital development (index of socio-economic development). The results of the index are shown in Figure 2.6. Alternatively, since the two dimensions are highly correlated, only one of them (e.g. per capita GDP) can be used as a *proxy* of the other.

Figure 2.5. The correlation between economic development and social capital in Italian regions



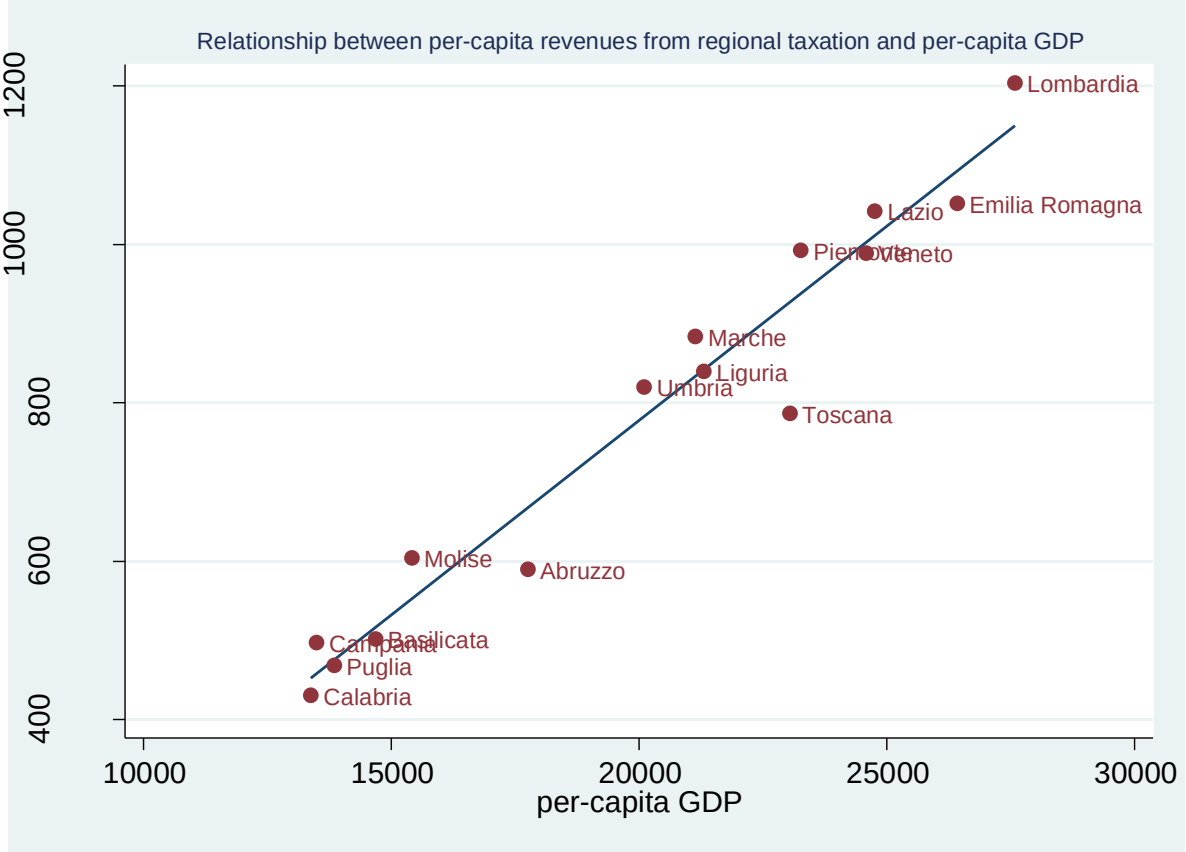
[19] Relevant data can be found on the website of the Italian Statistical Office (ISTAT) in the section 'Sistema di Indicatori Territoriali' (http://sitis.istat.it/sitis/html/, date of access: 28/10/2013).

Figure 2.6. Socio-economic development of Italian regions (combining economic development and social capital)



Additionally, the level of economic development of Italian regions can also be used as a proxy for their *fiscal capacity*. Figure 2.7 focuses on 'ordinary status' regions and shows that, although they have been formally granted the same fiscal autonomy, they differ quite substantially in terms of fiscal capacity, which is measured in terms of revenues deriving directly from regional taxation (y axis in Figure 2.7). Therefore, keeping formal autonomy constant, rich regions seem to rely on a larger amount of autonomous resources, which could be used to finance additional social plans, than poor regions.

Figure 2.7. Relationship between regional GDP and fiscal capacity in Italian regions ('ordinary status' regions, 1999–2005)



Sources: ISSIRFA and ISTAT. Author's own calculation.

As mentioned in the previous chapter, another factor that might explain cross-regional variation in the strength of welfare models is the level of 'demographic vulnerability', which is most effectively measured by considering the percentage of regional population aged 65 and above. Regional governments faced with an ageing population may be more inclined to pay attention to health care and social assistance policies and establish integrated social programmes. As shown in Table 2.8, Liguria is the region with the oldest population and Campania is the one with the youngest population.

Table 2.8. Ageing (indicator of demographic vulnerability) in Italian regions (average 1981–2010)

Region	% of inhabitants aged 65 and above
Liguria	25.9
Umbria	22.9
Tuscany	22.7
Emilia Romagna	22.5
Marche	22
FVG	21.7
Piedmont	21.6
Molise	21.3
Abruzzi	20.7
Aosta Valley	19.4
Basilicata	18.9
Lombardy	18.5
Veneto	18.5
Trento	18.3
Latium	18.3
Calabria	17.4
Sicily	17.2
Sardinia	16.4
Apulia	16.3
S. Tyrol	15.9
Campania	14.5

Source: ISTAT (1981-2011). Author's own calculation.

Following a 'functionalist' approach, women's participation in the job market is expected to have an effect on the development of regional social services (particularly child care). Table 2.10 provides data taken from Eurostat and referring to average levels of female employment in the period from 1999 to 2014. These data

suggest the existence of significant discrepancies across Italian regions. Whereas in Emilia Romagna more than 60 per cent of women aged between 15 and 64 are employed, in Campania this figure is just 26.3 per cent.

Table 2.9. Percentage of women aged between 15 and 64, who are employed (average 1999–2014)

Region	Female employment
Emilia Rom.	60.9
South Tyrol	60.5
Aosta Valley	58.6
Trento	54.7
Marche	54.7
Lombardy	54.2
Piedmont	54.2
FVG	53.5
Tuscany	53.2
Veneto	52.5
Umbria	51.7
Liguria	51.2
Latium	46.2
Abruzzi	42.7
Molise	38.5
Sardinia	36.9
Basilicata	33.1
Calabria	28.6
Apulia	28.2
Sicily	27
Campania	26.3

Source: Eurostat. Author's own calculation.

Finally I take into account differences in the size of the regions that, as mentioned in the previous chapter, may affect the ability of regions to allocate public money, distribute resources and quickly respond to the needs of the local population. The size of the regions may be measured in terms of population size and Table 2.9

summarises the average values in the 1981 and 2011. It can be noted that the range of population size is very large with a maximum of 9 million inhabitants in Lombardy and a minimum of around 100,000 inhabitants in the Aosta Valley.

Table 2.10. Population size in Italian regions (millions of inhabitants) 1981-2011

	Population (mln)
Lombardy	9
Campania	5.6
Latium	5.2
Sicily	5
Veneto	4.5
Piedmont	4.4
Emilia Rom.	4
Puglia	4
Tuscany	3.6
Calabria	2
Liguria	1.7
Sardinia	1.6
Marche	1.5
Abruzzi	1.3
FVG	1.2
Umbria	0.8
Basilicata	0.6
Trento	0.5
Bolzano	0.5
Molise	0.3
Aosta Valley	0.1

Source: ISTAT (1981-2011). Author's own calculation.

Building the multivariate model

Having presented the main variables of this study, I now proceed to assess the way they relate to each other. First of all, I build a multivariate regression model with the score of welfare development as dependent variable, territorial and left-wing mobilisations as explanatory variables and (socio-)economic development, population ageing and population size as control variables. I have also included the variable 'institutional asymmetries' in the model. That variable, which distinguishes

between the 'ordinal' and 'special' status regions, is useful to understand whether territorial mobilisation has a direct effect on welfare development, regardless of institutional asymmetries (H1 in the previous chapter), or it has an indirect impact through the promotion of such asymmetries (H2). Institutional asymmetries are measured through the RAI index built by Hooghe et al. (see previous chapter).

The results of the multivariate regression models are indicated in Table 2.10. Since the independent variables are measured differently, I used *standardised* coefficients so that the magnitude of their effects can be more easily compared. Moreover, in model 1 I included the index of socio-economic development, which aggregates both measures of economic development and social capital, whereas in model 2 I included the variable per capita GDP, which, being strongly correlated with human capital, can be used as a proxy of both economic development and social capital. In any case, the coefficients of the two models do not change radically and they both account for 88 per cent of cross-regional variation in welfare development (r-squared= 0.88).

It can be noted that left-wing and territorial mobilisations (measured in terms of seats controlled by left-wing and regionalist parties within the regional councils in the 1980-2010 period) are the two factors that are more strongly correlated with welfare development, controlling for all the other background variables. Territorial mobilisation has very high coefficients in both models (0.90 and 0.84) and this seems to confirm the hypothesis that the centre-periphery cleavage significantly shapes the politics of welfare in Italy. We can therefore say that those regions in which territorial mobilisation has been a relevant political phenomenon, have invested more resources in the elaboration and implementation of sub-national social policies than other regions.

Left-wing mobilisation also seems to have played a relatively important role in the construction of region-specific welfare systems. The coefficient of this variable is 0.25 in model 1 and 0.28 in model 2.Despite being much smaller than the territorial

mobilisation one, it is still higher than all other coefficients, including socio-economic development (model 2). In model 1, instead, it is the third largest standardised coefficient after territorial mobilisation and women's employment. Thus the other main hypothesis presented in this study is partly confirmed by this preliminary analysis and we can say that those regions governed by left and centre-left parties have also been arenas of 'new' welfare development in the last thirty years. This, however, may be due to the fact that the Italian Left has played a rather marginal role in national government and, therefore, its primary political action has been confined to a small number of regions.

Table 2.11. The determinants of welfare development (health care and social assistance) in the Italian regions (1980-2010).

	Model 1	Model 2
	Standardised coefficient (β)	Standardised coefficient (β)
Territorial mobilisation	.85	.84
Left-wing mobilisation	.25	.28
Institutional asymmetries	.18	.16
Index of socio economic development	-0.05	---
Per Capita GDP	---	.09
Population ageing	.15	.16
Female employment	.29	.15
Population Size	.19	.16
N	21	21
R-squared	.88	.88

On the other hand, institutional asymmetries do not seem to have had a very strong positive effect on welfare development (coefficient: 0.18 and 0.16 in models 1 and 2). This can be explained by the fact that in Italy the dual distinction between 'special' and 'ordinary' statute regions has been in place since the post-war period and has

not been significantly affected by different (and changing) levels of territorial mobilisation. Indeed, the Italian constitutional system is rather rigid and individual regions rarely have the opportunity to participate in bilateral bargaining with central authorities to determine their level of autonomy. As underlined by Keating (2009a), in Italy, 'the reform process has played out at the centre, with relatively little involvement from the regions themselves'. Even when decentralisation has resulted from pressures coming from territorial movements (e.g. the Northern League in the 1990s), it has led to the devolution of the same *standardised* powers to all regions and not only to those ones demanding more autonomy (e.g. Lombardy and the Veneto). Moreover, increasing decentralisation has actually reduced the asymmetries between special and ordinary statute regions, thus resulting in a 'catching-up' process (Amoretti, 2011), which did not acknowledge the different demands for regional autonomy of individual regions. Therefore, we can say that the *intervening* effect of the institutional variable has been almost completely absent in Italy.

Of course, performing a multivariate analysis with a relatively small number of cases (21) is just an exploratory exercise. In order to minimise the number of independent variables and maximise the explanatory power of the model, one could also employ a 'stepwise', backward strategy, which gradually excludes the least significant independent variables, leaving the most important ones (Madama, 2010: 208). Thus, in Table 2.12 we can see that in the 'parsimonious' model territorial mobilisation remains the most important variable together with left-wing mobilisation and women's participation in the job market. However, interpreting the importance of the latter variable in causal terms is quite problematic. As underlined by Madama (2010: 201–202) higher female employment may indeed produce a stronger demand for social services but, at the same time, may be the *consequence* of well-functioning and extensive social services (Del Boca and Rosina, 2009).

Table 2.12. Parsimonious model including the three most important independent variables

	Standardised coefficient (β)
Territorial mobilisation	.78
Left-wing mobilisation	.22
Female employment	.38
N	21
R-squared	0.85

We can therefore say that in Italy the new politics of regional welfare building has followed two paths. The more important (and also relatively recent) one is represented by the mobilisation of territorial identities. The more traditional one, where 'class mobilisation' is the dominant political force, is still relevant, although to a much lesser extent than territorial mobilisation. These two paths seem to have remained relatively separate and parallel. Indeed the correlation coefficient between strength of regionalist parties and strength of left-wing parties is negative and rather strong (-0.68), meaning that the two types of mobilisation have rarely coexisted in Italian regions.

Beyond health care and social assistance: labour market policies, a preliminary analysis

Although, as stated in the first chapter, this study mainly focuses on health care and social assistance, this section presents a brief, exploratory analysis on the regional structuring of labour market policies, which have also been significantly decentralised, particularly in their 'activation' component (Fargion, 2005). The tables below show some preliminary results, which are based on some sketchy data and, therefore, should be interpreted with extreme caution.

First of all, a similar index of welfare development is calculated by using spending, legislation and implementation data in the field of active labour market policies. As in the case of health care and social assistance, spending figures are taken from the archive of the Ministry of Economic Development (http://www.dps.gov.it/it/cpt/). The level of development of regional legislation is assessed on the basis of the data provided by Mapelli (2007) and Pavolini (2008). This score considers whether regions transposed three pieces of national legislation that delegated to them the (re-)organisation of job centres and, more generally, creation of regional employment systems[20]. Finally, I also rely on the Isfol (2008) index to measure the quality and efficiency of the employment services in the different regions.

All the original and rescaled scores can be found in Table 2.13. The last column contains the multiplicative scores, indicating the overall level of development of labour market policies. At the top of the ranking we find Trento, South Tyrol, Emilia Romagna and Tuscany. Molise, Abruzzi, Calabria and Campania are instead the regions with the lowest scores.

[20] Pavolini assigns the score of 0 to Aosta Valley and Calabria, even though these two regions transposed one of the three pieces of legislation (although slightly later than the other regions). Instead, I decided to assign the score 1 to these two regions.

Table. 2.13. Measuring the level of development of labour market policies across the 21 Italian regions (multiplicative score)

Region	Spending		Legislation		Implementation		Multiplicative score
	Original score	0–1 score	Original score	0 –1 score	Original Score	0–1 score	
Trento	232	1	2	0.67	14.2	0.97	0.65
South Tyrol	191.6	0.83	2	0.67	13.77	0.94	0.52
Em. Romagna	50.8	0.22	3	1	14.32	0.97	0.21
Tuscany	49.2	0.21	3	1	13.94	0.95	0.2
Marche	37.12	0.16	3	1	14.09	0.96	0.15
Umbria	45.8	0.2	2	0.67	14.7	1	0.13
Aosta Valley	231.7	1	1	0.33	4.7	0.32	0.11
Piedmont	39.6	0.17	2	0.67	13.97	0.95	0.11
Liguria	37.08	0.16	2	0.67	14.68	1	0.11
FVG	80	0.34	2	0.67	7.3	0.5	0.11
Veneto	36.02	0.16	2	0.67	13.12	0.89	0.1
Lombardy	45.4	0.2	2	0.67	10.1	0.69	0.09
Latium	95	0.41	1	0.33	10.14	0.69	0.09
Sicily	93.01	0.4	2	0.67	4.88	0.33	0.09
Sardinia	100.9	0.43	2	0.67	4	0.27	0.08
Basilicata	98	0.42	1	0.33	7.48	0.51	0.07
Apulia	27.3	0.12	2	0.67	11.49	0.78	0.06
Molise	48.9	0.21	1	0.33	11.27	0.77	0.05
Abruzzi	30.9	0.13	1	0.33	14.41	0.98	0.04
Calabria	26.31	0.11	1	0.33	10.96	0.75	0.03
Campania	11.4	0.05	2	0.67	6.23	0.42	0.01

Sources: Ministry of economic development http://www.dps.tesoro.it/cpt/cpt.asp, Pavolini (2008), Mapelli (2007), Isfol (2008).

Table 2.14 shows the results of a 'parsimonious' multivariate model which includes the variable unemployment instead of GDP and female employment, since the latter variables were both highly correlated to the former (-.93 and .94), thus causing problems of multicollinearity). The ageing variable has not been included because, while it may play an important role in the case of health care and, of course, elderly care, it does not seem relevant for the development of active labour market policies (indeed the correlation coefficient was just -.05). Also 'population size' was excluded, since it had a small coefficient (-.06).

Among the remaining variables, the one with the highest standardised coefficient is, once, again territorial mobilisation (.45), although its magnitude is smaller than in the case of health care and social assistance. This is followed by the variable unemployment (-.28), which suggests that labour market policies are more developed in regions with lower levels of unemployment. In this case, however, the causal chain between unemployment and labour market policies may be also reversed, since it would be reasonable to say that highly developed employment service3s may negatively affect the overall level of unemployment. Higher levels of institutional autonomy seem positively associated with the development of labour market policies at the regional level (.26).

Surprisingly, left-wing mobilisation has the smallest coefficient (.16). This may be due to the fact that whereas health care and social assistance policies started to become important regional policies in the late 1970s, when large part of the left was excluded by national government and could play a primary role mainly at the sub-national level, active labour market policies have been developed more recently, particularly in the 1990s, in a more 'fluid' context of national politics. At the same time, it should also be underlined that both Emilia Romagna and Toscana, two regions in which the Left has been traditionally very strong, are at the top of the ranking assessing the level of development of regional labour market policies. This suggests that, going beyond this preliminary quantitative analysis, centre-left parties may have favoured the strengthening of regional employment services.

Finally, it should be noted that the 'explanatory power' of the model indicated by the R-squared is much lower than in Tables 2.11 and 2.12, suggesting that there might be other variables not considered in this study, which explain part of the cross-regional variation in the development of labour market policies.

Table 2.14. The determinants of development of labour market policies in the Italian regions

	Standardised coefficient (β)
Territorial mobilisation	.45
Left-wing mobilisation	.17
Unemployment	.38
Institutional Asymmetries	.26
N	21
R-squared	0.51

As already mentioned at the beginning of this section, these are just some preliminary results and are not integrated in the main analysis of this study, which focuses on health care and social assistance. They show that territorial-based politics may play an important role in the development of other welfare sub-fields. In the case of labour market policies, future research should also investigate the link between territorial mobilisation and the opportunities offered by the European Union. Indeed, through the European Social Fund (ESF), the latter actively finances activation programmes (Verschraegen et al., 2011), which, in the Italian case, are directly implemented by regional governments.

Conclusion

In this chapter I have tried to quantitatively explain cross-regional divergence in regional welfare development, which has been measured by focusing on health care and social assistance policies in all the 21 Italian regions. This preliminary quantitative analysis seems to suggest that even when accounting for the well-known regional disparities in socio-economic development, both territorial and left-wing mobilisations have had a positive effect on the emergence of strong models of welfare at the 'meso-level'. However, the effect of the first variable seems generally

stronger than the latter (even if we move from health care and social assistance to labour market policies). Additionally, territorial mobilisation seems to have directly affected the establishment of region-specific social programmes, whereas it has not had any substantial *indirect* effect through the promotion of asymmetries in formal regional autonomy, which have remained quite 'rigid' over time.

In the next two chapters I complement the quantitative analysis presented in this chapter with a more qualitative analysis. Since there seem to be two clearly different paths to welfare building in Italian regions, I first consider some cases of regionalist parties promoting sub-national social policies and then I focus on the *welfare effect* of left-wing parties in some of the regions in which they have been politically dominant.

Chapter 3

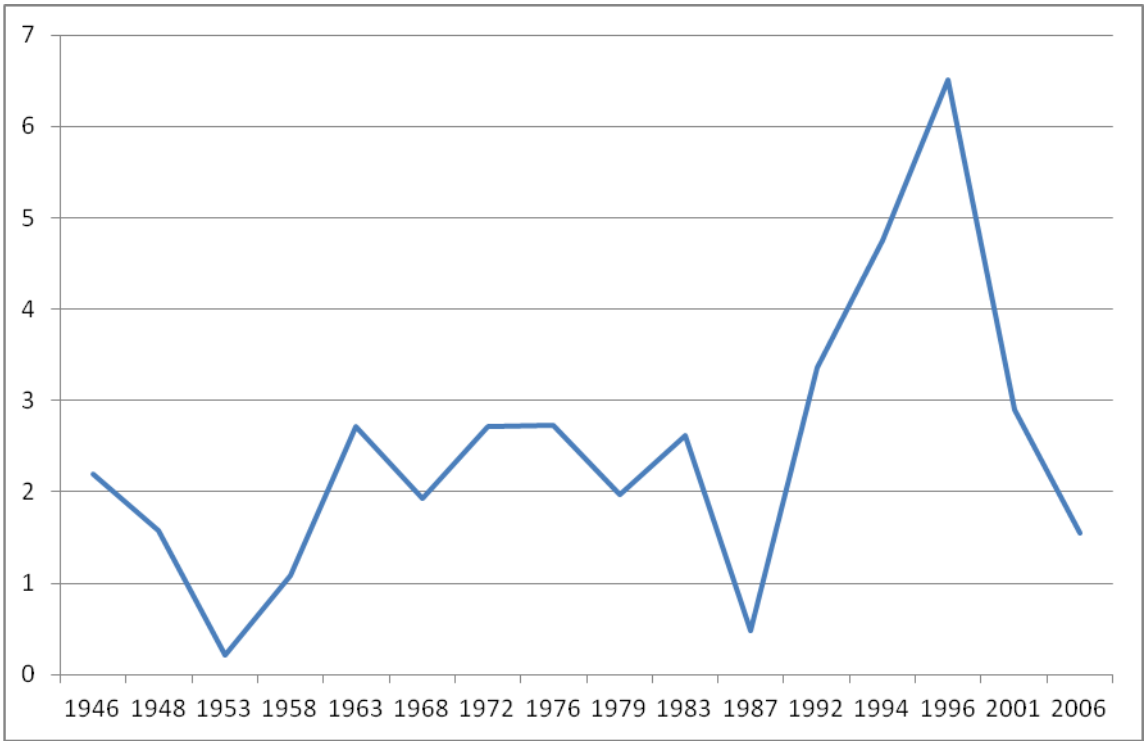
The (re)emergence and strengthening of the centre-periphery cleavage in Italy: (old and new) regionalist parties and sub-state welfare building (1980-2010)

Old and new regionalist parties and the increasing saliency of the 'decentralisation' issue in Italian politics

In the previous chapter I showed that in the 1990s and 2000s there was an increase in the strength of regionalist parties across the 21 Italian regions. I also suggested that such strengthening marks a rise in the importance of the centre-periphery cleavage. This seems to be confirmed by data that indicate the increasing saliency of issues related to the territorial configuration of political power in the manifestoes of the main Italian parties. Figure 3.1 shows the average saliency of the decentralisation issue of Italian parties obtaining more than 4 per cent in national elections. Saliency is measured as the percentage of semi-sentences referring to two specific categories included in the coding of the Party Manifesto Project (Budge et al., 2001; Volkens et al., 2013) that focus on the issues of decentralisation or centralisation of political/economic power in a country[21]. The figure clearly shows that between the late 1980s and the 2000s, the saliency of the centralisation/decentralisation issue increased considerably in the Italian party system. This increase is much stronger than that which occurred in the late 1960s and in the 1970s, when 'ordinary status' regions were created.

[21] In the codebook of the Party Manifesto Project, the two categories are 301 (federalism and decentralisation) and 302 (centralisation).

Figure 3.1. Average saliency of the centralisation-decentralisation issue in the manifestoes of the main Italian parties (parties obtaining more than 4 per cent of the vote)



Source: Volkens et al. (2013). Author's own calculation.

In the light of data showing that the saliency of regionalism has increased only in recent decades, it should also be underlined that, until the late 1980s, Italy, unlike Spain, did not have a legacy of strong ethno-territorial movements that were able to influence statewide politics (Llamazares and Marks, 2006: 239).

Generally, the story of regionalist parties in Italy can be divided into two periods. The first period, going from 1945 to the mid-1980s, is characterised by the existence of some ethno-regionalist parties in small, peripheral regions such as South Tyrol, the Aosta Valley and Sardinia. The second period, starting in the late 1980s, has seen the emergence and electoral consolidation of new regionalist movements, the so-called *leghe* (leagues), which emerged as the late consequence of socio-

economic changes that had already started in the late 1960s. According to Woods (1992: 56):

> The emergence of regional leagues are a reflection of the differentiation of Italian civil society from a centralised political authority - mediated through parties - and the development of regional and local units *as centres of economic and political legitimacy* and representation. (Italics added).

Today old and more recently formed regionalist parties coexist in Italy and, as I show in this chapter, both types of parties have played an important role in regional welfare building in a context of increasing decentralisation of political power and economic resources.

Old and new regionalist parties in Italy

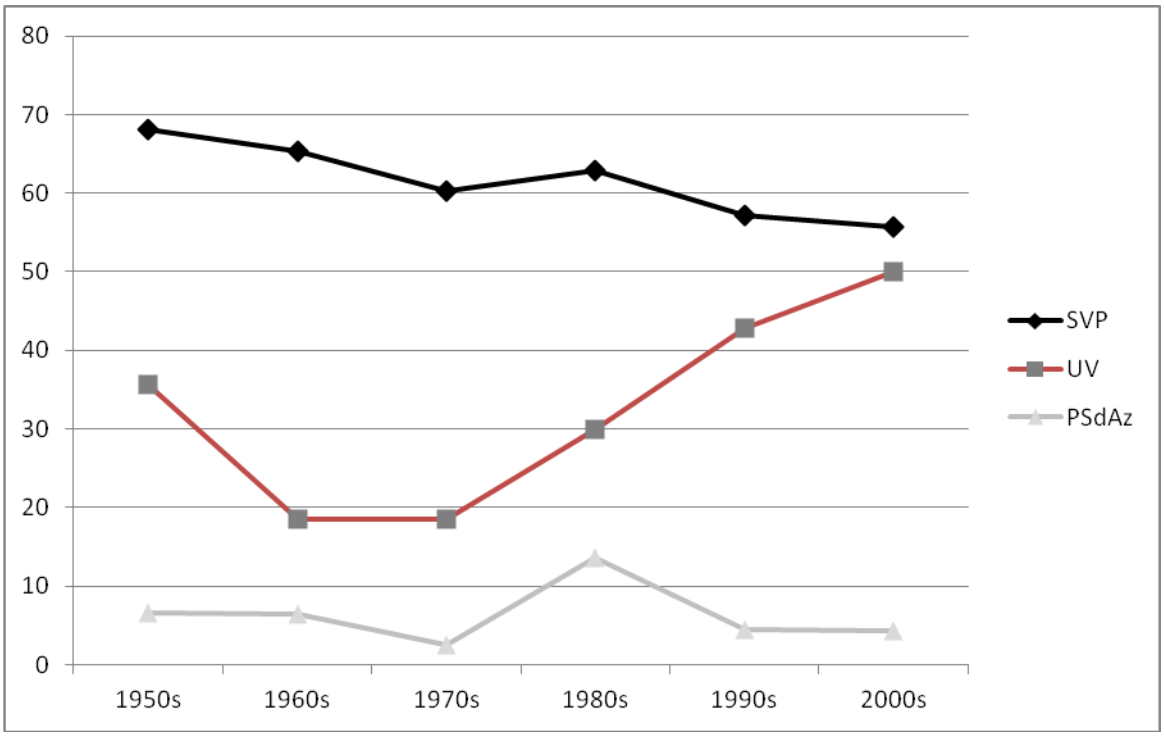
Among the 'historical' regionalist parties, the *Südtiroler Volkspartei* (South Tyrolean People's Party, SVP), the *Union Valdôtaine* (Valdostan Union, UV) and the *Partito Sardo d'Azione* (Sardinian Action Party, PSdAz) are the oldest and most important[22]. However, the latter party has played a much more marginal role in its own region than the other two parties. Indeed, the SVP and UV have been the dominant ruling parties in South Tyrol and the Aosta Valley for many decades, whereas the PSdAz managed to lead the regional government only in the 1980s (in a coalition with the much stronger Communist and Socialist Parties). In addition, the SVP and UV are clearly ethno-regionalist parties, representing the German-speaking and French-speaking minorities (which are actually majorities in South Tyrol and the Aosta

[22] In the post-war period a regionalist movement also developed in the Autonomous Province of Trento. The name of the party was Trentino Tyrolean People's Party (PPTT) and ideologically it was very similar to its alpine sister party the SVP. However the party was not very successful and in the late 1980s was replaced by a new, and electorally more relevant, party called Trentino Tyrolean Autonomist Party (PATT).

Valley), whereas the PSdAz abandoned any references to Sardinia constituting an 'ethnie' at an early stage of its political life (Hepburn, 2010: 153).

Ideologically the three parties are positioned at the centre of the political spectrum and have all established alliances with both centre-left and conservative political parties (which, in the case of the SVP and UV, have just played the role of *junior* coalition partners). The UV and the SVP represent very well what has been defined as the 'alpine' political culture, characterised by localism, ethnicity, tradition, religion and work ethics (Caramani and Meny, 2005; Massetti and Sandri, 2012). The political identity of the PSdAz is much more difficult to define and, in the period of its maximum political strength (the 1980s), it was influenced by the so-called *Neo-sardismo,* a movement based on the demand for the recognition of Sardinian socio-cultural traditions (Hepburn, 2011: 119). However, as underlined by Hepburn (2011), the story of the Sardinian party, unlike that of the two 'Alpine' parties, has not been characterised by substantial successes (see also Figure 3.2). Since the late 1980s the support for the PSdAz has significantly declined and in the last two decades the party has played a marginal role in regional politics, also suffering from the competition of even smaller autonomist groups (Ibid.: 123–124). The SVP and UV have also been challenged by some regionalist competitors (see next section) but they have remained by far the dominant parties in their own regions.

Figure 3.2. Average percentage of seats won by SVP, UV and PSdAz since the 1950s



Source: http://www.parties-and-elections.eu. Author's own calculation.

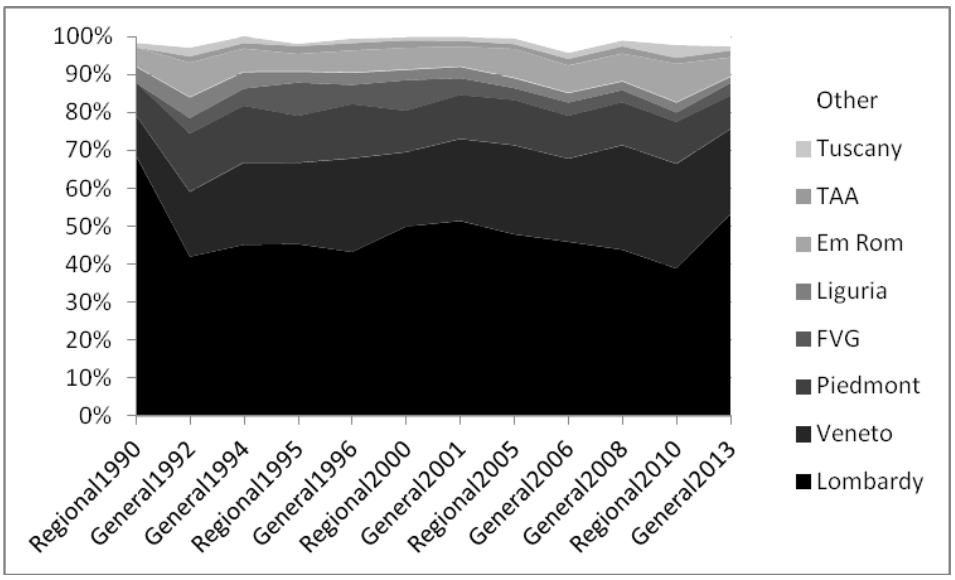
Despite playing a very important role in their own regions, the SVP and UV were not able to influence the dynamics of the national party system. Only in the late 1980s would territorial issues start to become central in the national political debate. This was mainly due to the strengthening of the regional *Leagues* that were created in some Northern Italian regions, where voters were increasingly disappointed with the old political elites that had controlled the central government for decades. Among the regional leagues, the *Lega Lombarda* (Lombard League), led by Umberto Bossi, soon emerged as the strongest; and, at the 1989 European elections, it established an alliance with other autonomist groups in the Veneto, Piedmont, Emilia, Liguria and Tuscany. This alliance was the prelude to the founding of the *Lega Nord* (Northern League, LN), formally enacted on 4 December 1989 (Tarchi, 1998: 144). This new party can be defined as 'macro-regionalist' because it has sought to represent all the regions of Northern Italy. However, as I show in this chapter, its political strength is mainly concentrated in Lombardy and the Veneto and, between these two regions,

the former has often been the 'dominant' one in expressing the party leadership and influencing its strategy.

The first real success of the Lega Nord occurred in the 1990 regional elections, when the party became the second strongest party in Lombardy and also managed to obtain some representation in the Veneto, Piedmont, Liguria and Emilia Romagna. The League soon became a politically relevant party at the national level, obtaining more than 8 per cent of the vote in the 1992 and 1994 general elections and even more than 10 per cent in the 1996 general election. This 'new wave' of territorialism was therefore much more important and had a much stronger effect on the whole Italian party system than the previous one. Indeed, Italian party competition was no longer shaped exclusively by the left-right cleavage but was also increasingly influenced by the tensions between centre and periphery.

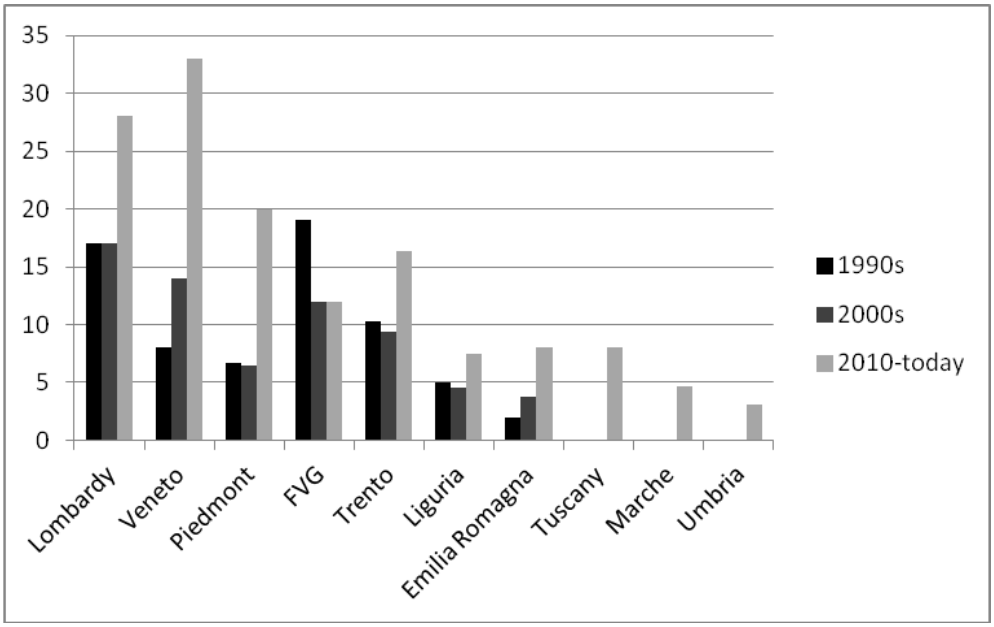
As already underlined, the Northern League has been a 'macro-regionalist' party, whose organisation has developed in more than one region. However, its strength has varied substantially across Northern Italian regions. Lombardy has clearly been at the heart of the new territorial mobilisation. This is the region in which the Northern League had its first electoral *exploit* and which has defined the party leadership for more than two decades. Moreover, Lombardy is by far the largest Italian region, and it is where the Northern League has constantly obtained around half of its total votes (Figure 3.3). The strategic and electoral importance of the Veneto has increased particularly in the last decade and this has also led to internal tensions with the Lombard hegemonic group. As shown in Figure 3.4, the support for the League has been much less stable and generally weaker in other central-northern Italian regions. The centrality of Lombardy in the organisation of the party has been challenged only in recent years by the Venetian party branch and this should be taken into account when studying the development of regional social policies in Northern Italy.

Figure 3.3 Geographical distribution of the Northern League vote in General and Regional elections 1990-2013 (% by region)



Source: Ministero dell'Interno (www.interno.it). Author's own calculation.

Figure 3.4 Representation of the Northern league in Central-Northern Italian regions (% of regional council seats) between 1990 and 2013



Source: Ministero dell'Interno (www.interno.it). Author's own calculation.

Unlike the SVP and UV, the Northern League could not appeal to ethnic or cultural regionalism but, rather, stressed the fact that Lombardy and the other Northern regions were the wealthiest in Italy and that their dynamic economies were being 'exploited' by the central government. As underlined by Golden (2004), the Northern League attracted the support of those entrepreneurs and productive groups that saw central political elites as an obstacle to their economic competitiveness in the global markets.

Of course, it was not long before the Northern League started promoting an 'invented ethnicity' and tried to establish some historical and cultural foundations for its claims of self-determination. However it always combined these cultural aspects with 'individualism, hard work and free market values' (Ginsborg, 1996: 30). Giordano (2000: 445) has argued that 'the LN has attempted to invent an ethnicity for the North of Italy (or "Padania") in order to justify its political claims for the protection of the economic interests of the region.' It is thus no surprise that the party soon positioned itself on the right of the political spectrum and established an alliance with Berlusconi's party (Forza Italia), which was created in 1994 and 'occupied the same ideological space—neoliberalism, anti-statism, fiscal protest—but was not territorially bounded to the north alone' (Ignazi, 2005: 345). This contributed to the creation of a hegemonic political block in Northern Italy, and particularly in Lombardy, based on a mix of market values, populism and localism.

The Northern League has been the main but not the only regionalist party to emerge in the last twenty years. For instance, in the Autonomous Province of Trento, autonomist parties and movements strengthened significantly in the early 1990s. Among these parties, the *Partito Autonomista Trentino Tirolese* (Trentino Tyrolean Autonomist Party, PATT) has been the most successful (Stacul, 2003) and is today leading the government of Trento. Like the SVP in South Tyrol, the PATT is a centrist party, clearly linked to the alpine political tradition, which, however, does not aim to represent a specific ethno-linguistic minority.

The new wave of territorial mobilisation has been much weaker in Southern Italy, with the partial exception of Sicily. Until the mid-2000s, territorial mobilisation was almost completely absent in this region and statewide parties remained dominant and unchallenged political actors (Sberna, 2013: 265). Only in the second half of the 2000s was a new regionalist movement called the *Movimento per le Autonomie* (Movement for Autonomies, MPA) created on the basis of a pro-south political platform calling for more economic and political self-determination for Sicily and other Southern Italian regions. The leader of the party, Raffaele Lombardo (a former Christian Democrat), was elected president of the region in 2008 with the support of a centre-right coalition formed of statewide and regionalist movements. Since then, the political mobilisation of the centre-periphery cleavage has become a more relevant phenomenon in Sicilian politics and also statewide parties have suffered internal divisions based on territorial struggles. However, Sicilian politics has been very unstable in recent years and, generally, it is still too soon to assess the effect that the emergence of new regionalist parties and the organisational fragmentation of statewide parties have had on Sicilian welfare governance.

Table 3.1 summarises the main characteristics of the regionalist parties that have been presented in this section. The next two sections mainly focus on two specific cases of old and new regionalist parties in action: the SVP in South Tyrol and the Northern League in Lombardy. The first region shows that a strong regional identity and its political mobilisation have played a very important role in the construction of a highly developed and distinctive welfare system. The second one provides a more dynamic picture. Indeed, in Lombardy regionalist mobilisation only emerged in the 1990s and, unlike South Tyrolean regionalism, does not have any historical or cultural roots. However, the growing salience of the centre-periphery cleavage, mainly based on socio-economic factors, has had an important impact on the recent development of Lombard social policies, which have become increasingly peculiar and innovative.

Table 3.1. The main (old and new) regionalist parties in Italy

Old (but still existing) regionalist parties		
Party	Region	Foundation and ideology
Südtiroler Volkspartei (South Tyrolean People's Party, SVP)	South Tyrol (Autonomous Province of Bolzano)	Founded in 1945. Centrist (moderately conservative), catch-all party. Strong links with the 'alpine' tradition. Representative of German-speaking ethnic minority.
Union Valdôtaine (Valdostan Union, UV)	Aosta Valley	Founded in 1945. Centrist, catch-all party. Strong links with the 'alpine' tradition. Representative of French-speaking ethnic minority.
Partito Sardo d'Azione (Sardinian Action Party, PSdAz)	Sardinia	Founded in 1921. Centrist party (leaning to the left in the 1980s and to the right in more recent years). Influenced *Neo-sardismo* in the 1980s.
New regionalist parties		
Lega Nord (Northern League, LN)	Lombardy and Veneto are strongholds. Party also in Liguria, Piedmont, Friuli Venetia Giulia, Trento, Aosta Valley, Emilia Romagna, Tuscany, Umbria and Marche.	Founded in 1990/1991 as an alliance of regionalist *leagues* that emerged in the 1980s. Main values: individualism, hard work and free market. Right-wing, populist party supporting federalism and/or independence of Northern Italian regions.
Partito Autonomista Trentino Tirolese (Trentino Tyrolean Autonomist Party, PATT)	Autonomous Province of Trento	Founded in 1988. Centrist, catch-all party. Strong links with the 'alpine' tradition.
Movimento per le Autonomie (Movement for Autonomies, MPA)	Sicily (but also some representation in other Southern Italian regions)	Founded in 2005. Centre-right party, calling for more political and economic self-determination of Southern Italy and Sicily in particular.

An example of an 'alpine' regionalist party: the SVP and the construction of a South Tyrolean welfare system

Using a *rokkanian* expression, South Tyrol can be defined as an 'inter-face' region. Despite being part of the Italian state, the overwhelming majority of its population is linguistically and culturally closer to Austria. More generally, South Tyrol belongs to the category that Caramani and Mény (2004) have defined as an 'alpine' macro-region, also including the Aosta Valley, Switzerland, Austria and Bavaria. This macro-region has experienced a relatively recent and very rapid process of economic expansion and is characterised by high levels of political consensualism, moderatism (although mixed with elements of populism) and attachment to the alpine traditions.

Together with the Province of Trento, South Tyrol forms the Trentino Alto Adige region. Yet, since the beginning of the 1970s, also as a consequence of international agreements with the Austrian government, both provinces have substantially increased their powers and autonomy and the administrative role of the Trentino Alto Adige region is today negligible (Steininger, 2004: 136–144; Hooghe et al, 2010; Grote, 2012: 113 - 119). Therefore the two Autonomous Provinces of Bolzano/South Tyrol and Trento, have enjoyed similar powers to those of other 'special statute' regions and can be seen as fully-fledged regions. For this reason, in the remainder of this section the terms 'province' and 'region' will be used interchangeably.

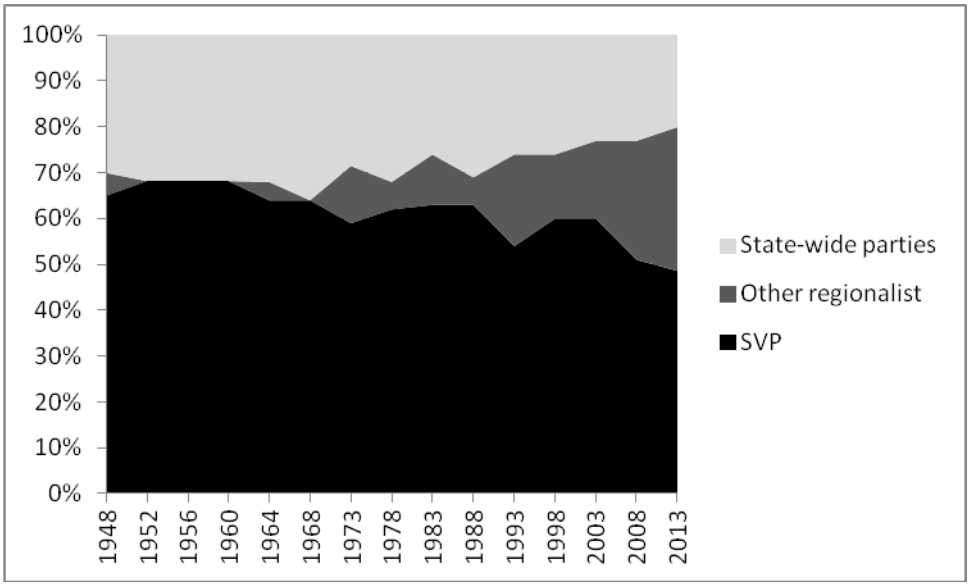
The Autonomous Province of South Tyrol has been for many decades dominated by the Südtiroler Volkspartei (SVP), a moderate autonomist party that is very representative of the 'alpine culture' and traditions of the German-speaking community. The SVP is positioned in the centre of the political spectrum and defines itself as a cross-class party inspired by a Christian, 'humanitarian' conception of the world[23]. It is also a mass party, with more than 50,000 members – which is around ten

[23] From the SVP's official website http://www.svp.eu

per cent of the South Tyrolese population (Massetti, 2009: 155). The 'social' orientation of the party is further strengthened by the existence of many regional associations directly or indirectly linked to the party. The SVP even encouraged the formation of an 'ethnic' South Tyrolean trade union, separate from the Italy-wide union confederations, called the Union of South Tyrolean Independent Trade Unions (ASGB) (Ibid.: 157).

Despite not being the only regionalist party active in South Tyrol, the SVP has been by far the largest one, controlling the absolute majority of seats and the regional government since the post-war period (Figure 5). Only in recent years has the primacy of the SVP been challenged by a new regionalist party, Die Freiheitlichen, which, unlike the SVP, has a more populist political platform (similar to the Austrian Freedom Party, FPÖ) and aims to achieve full independence (not just 'special' autonomy) for South Tyrol (Massetti, 2009: 168). In the last regional election of 2013, the SVP failed to obtain the absolute majority of South Tyrolean seats for the first time since the creation of the Autonomous Province of Bolzano (Scantamburlo and Pallaver 2014). On the other hand, Die Freiheitlichen increased their electoral support to almost 20 per cent of the vote. Overall, as shown in Figure 3.5, the representation of statewide Italian parties has substantially decreased in recent years.

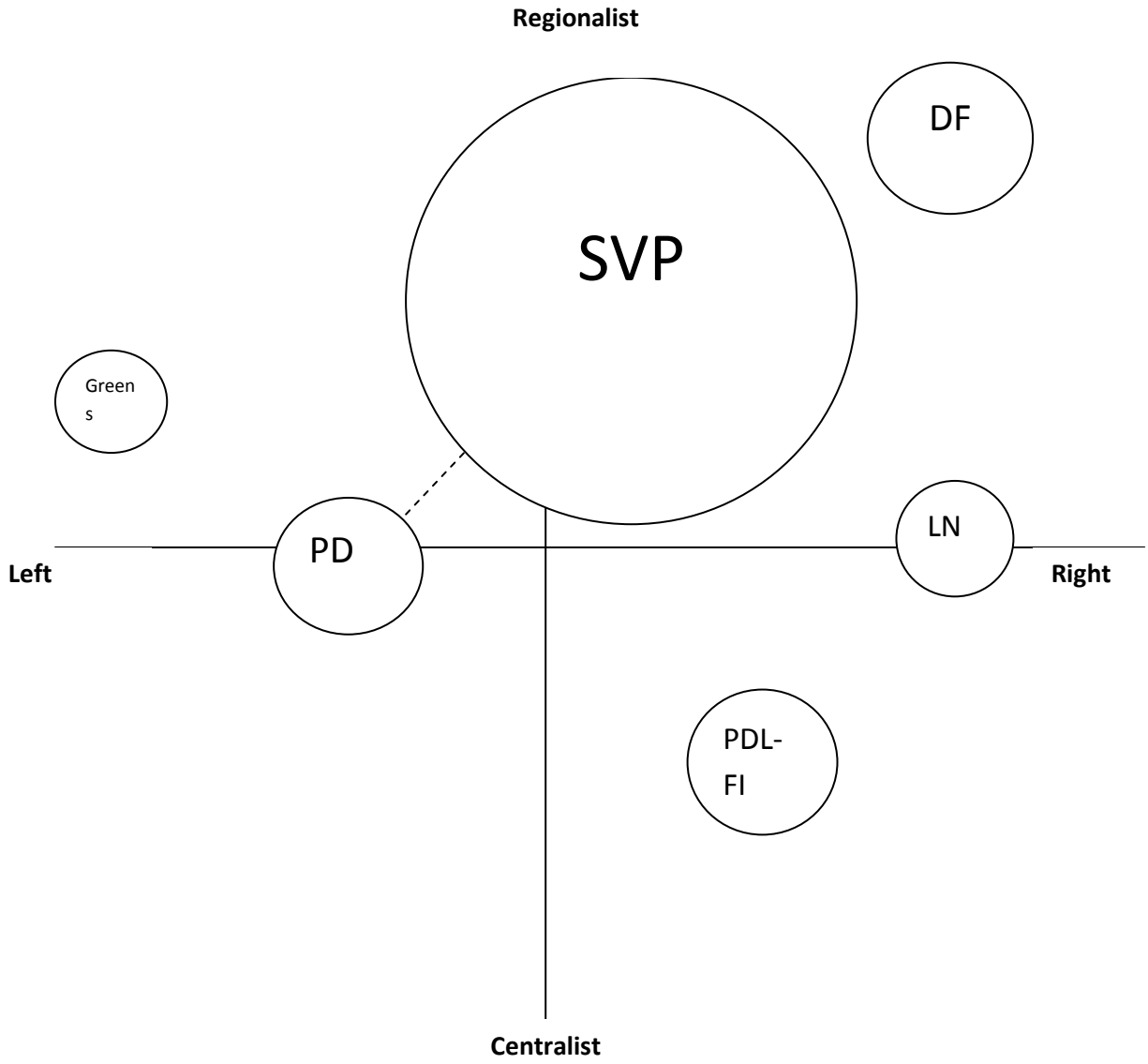
Figure 3.5. Share of council seats controlled by the SVP, other regionalist parties and statewide parties in the Autonomous Province of Bolzano-South from 1948 to 2013.



By employing the framework presented by Stolz (2009) in his study on regional representation in Scotland and Catalonia, South Tyrolean political parties can be located on a two-dimensional map that considers both centre-periphery and left-right political cleavages (Figure 3.6). As already mentioned, the SVP is the 'hegemonic party' (Holzer and Schwegler 1998) and occupies a moderate, centre-right political position and, of course, it has a pro-regionalist political stance. The other main regionalist parties, *Die Freiheitlichen* (DF) and the Northern League (LN) are more clearly on the right but the latter is less pro-regionalist, since it does not focus on South Tyrolean autonomy but on the autonomy (or even independence) of the *Padania* macro-region (central-northern Italy) as a whole (Giordano 2000 and 2001). Therefore it does not fully acknowledge the specificity of South Tyrol. On the centre-left we have the *Democratic Party* (PD), which is moderately pro-autonomy and, in recent years, has even established alliances with the SVP (dotted line in Figure 3.6). The *Green Party* has also been a rather important left-wing party and supportive of decentralisation. On the centre-right the *People of Freedom* (PDL-FI) has been less

supportive of autonomy and has actually been the main representative of Italian nationalism.

Figure 3.6. Locating South Tyrolean parties in the two-dimensional political map combining left-right and centre-periphery cleavages



As underlined by Holzer and Schwegler (1998: 164), in South Tyrol

> *[T]he regional feeling of belonging is the point of reference for social and political issues*. The main political task of the SVP is not only to defend the political and socio-economic rights of the German community but also to strengthen *a sense of solidarity* and thereby enhance chances for survival (italics added).

This suggests that regional welfare may have been used to preserve and further strengthen the distinctiveness of the South Tyrolean 'ethnic' community. In the development of regional social policies the SVP seems to have followed the alpine/conservative idea that the social cohesion of the local community and traditional social structures should be preserved through social programmes that are much more generous than the national ones. Additionally, although social initiatives promoted by private actors are welcomed, the SVP has generally been suspicious of processes of privatisation and market-based competition[24]. This may be seen as a defensive response from the traditionalist alpine culture against processes of extreme liberalisation that might undermine social harmony (Caramani and Mény, 2005; Pallaver, 2005).

Within the European Union, South Tyrol has been able to strengthen its cross-border relationships and reinforce the distinctiveness of its social model. For instance, with the establishment of the Tyrol-South Tyrol-Trentino Euroregion[25], the Autonomous Provinces of Trento and Bolzano and the Austrian Land of Tyrol have promoted many cooperation projects in the fields of health care, social assistance and employment policy. The high mobility within this Euroregion has required the

[24] In 2009 the health care minister of the province of Bolzano, Richard Theiner, stated that 'a privatization of the health care system, which implies increasing competition between private and public sectors, is not a sensible measure'. http://www.provinz.bz.it/sanita/attualita/news.asp?&aktuelles_action=4&aktuelles_article_id=314380 (date of access 3/03/2013).

[25] Details on the Tyrol-South Tyrol-Trento Euroregion can be found at http://www.europaregion.info (date of access 03/07/2015)

establishment of special arrangements and the coordination of health systems that are shaped by different national legacies and legislative frameworks[26]. Special emphasis has also been placed on the construction of integrated systems of social protection, which also include 'activation policies' and cooperation in vocational training[27], a sector in which South Tyrol seems closer to its Austrian counterpart than to the rest of Italy. Generally, the South Tyrolean political elite has seen the European integration as an opportunity to actively participate in a process of social integration within a cross-national macro-region. Yet while promoting cross-border convergence, South Tyrol is gradually shifting away from other Italian regions.

As argued by Sagner (2011), the traditional family is conceived as the centre of the South Tyrolean welfare system, which mixes very generous monetary transfers with well-developed in-kind services of social assistance. As shown in Figure 3.7, cash benefits (particularly maternity benefits) directly transferred by regional institutions to families are much higher than in other regions analysed in this study, such as Lombardy and Tuscany, and in the rest of Italy. It is also significant that, unlike in many other Italian regions, in South Tyrol (but also in the Aosta Valley) the regional 'ministry' of social assistance is explicitly called the department of 'family and social policies'. In 2012, the South Tyrolean government approved a 'Family Charter' (*Carta Famiglia*), and in 2013 it passed a special law aimed at 'developing and supporting the family in South Tyrol' through an extensive and highly integrated system of benefits coordinated by a Family Agency (*Agenzia per la famiglia*) (Sagner, 2013: 20). The new law states that:

[26] http://www.europaregion.info/it/convegno-diritto-alla-salute.asp (date of access 03/07/2015)

[27] http://www.europaregion.info/it/euregio-tagung-zum-thema-arbeit-lehrlingswesen-im-vergleich.asp (date of access 14/07/2015)

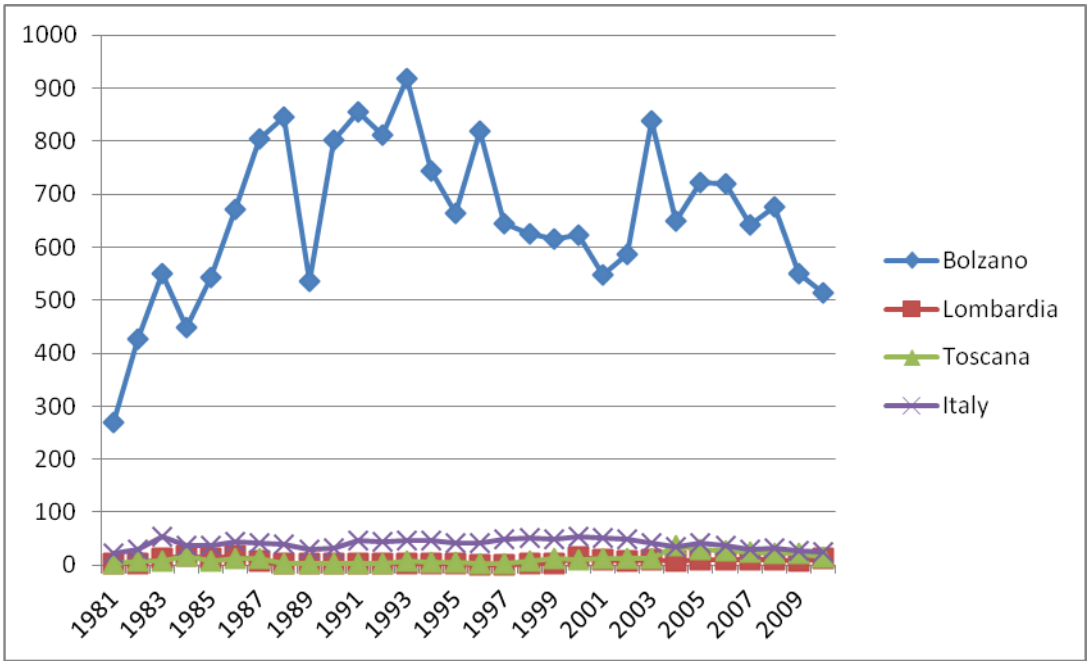
> The family is the foundation of our society and it is the primary locus of education, formation and socialisation for children. It plays an important *social role* by supporting new generations. (Art. 1, author's translation)[28]

This strong support for the family should not be confused with 'familialism' or 'familism' that can be generally found in southern European welfare systems and in the Italy-wide welfare system in particular. Indeed, whereas the 'family-oriented' welfare system of South Tyrol actively supports the family through extensive public policies, generous money transfers and efficient services, the 'familistic' welfare system does not provide such active and extensive support but, due to its inertia, actually *burdens* families with additional responsibilities in the provision of social care. As pointed out by Flaquer (2000), 'in Southern Europe it is taken for granted that it is up to households to provide for the welfare of their members and therefore no emphasis is placed on *family policy'* (italics added). Generally, the South Tyrolean model of welfare can be defined as a 'family supporting' system, in which:

> [F]amily roles are assisted to continue, or are taken over in whole or in part, by various supplementary services or by services which substitute for the family temporarily or permanently (Fox Harding, 1996: 195).

[28] Legge provinciale 17 maggio 2013, n. 8, *Sviluppo e sostegno della famiglia in Alto Adige* http://lexbrowser.provinz.bz.it/doc/it/197036/legge_provinciale_17_maggio_2013_n_8.aspx?view=1&a=2013&n=8&in=25 (date of access 21/10/2014)

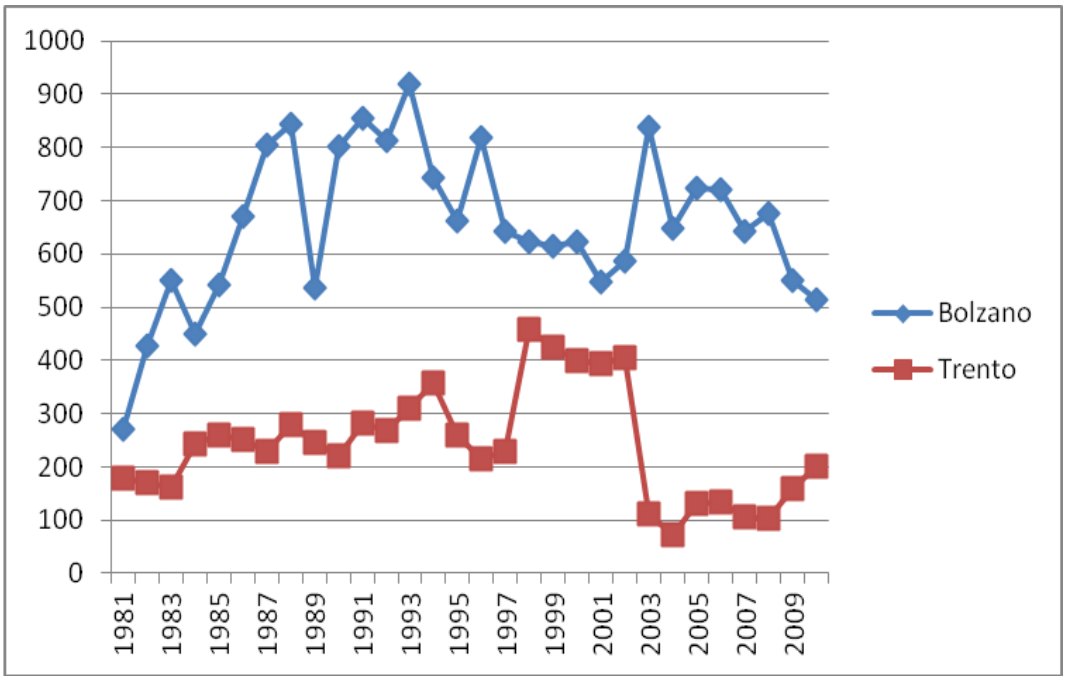
Figure 3.7. Per-capita monetary transfers to families in South Tyrol, Tuscany, and Lombardy (Italian average also indicated) from 1981 to 2010. Spending in euros at 2010 constant prices.



Source ISSiRFA. Author's own calculation.

To be sure, higher pro-family spending may be partly due to the greater fiscal autonomy that South Tyrol enjoys in comparison with Tuscany, Lombardy, and other regions that have been given 'ordinary' powers. However, this spending gap between South Tyrol and other Italian regions has remained rather stable in more recent years, even though constitutional reforms have significantly reduced institutional asymmetries, also in term of fiscal autonomy, between 'special' and 'ordinary' regions by granting increasing powers to the latter (Amoretti, 2011). Moreover, even compared to its 'sister' autonomous province of Trento, which enjoys the same degree of fiscal autonomy, South Tyrol has been much more generous in spending targeted at families (Figure 3.8).

Figure 3.8. Per-capita transfers to families in the Autonomous Province of Bolzano/South Tyrol and Trento from 1981 to 2010 (Spending in euros at 2010 constant prices)



Source ISSiRFA. Author's own calculation.

Therefore, political, rather than institutional, factors might have played an important role in determining the clear pro-family orientation of South Tyrolean social policies. Indeed, the dominant ruling force of South Tyrol, the SVP, is culturally quite close to other political movements of the 'alpine' region such as the German CSU or the Austrian ÖVP, which, also inspired by a Christian democratic vision of welfare, support a family-centred (but not familistic) model of welfare. On the other hand, in Trento the political influence of 'alpine' territorial mobilisation has been mitigated by the greater strength of (centre-left and centre-right) Italy-wide parties, which still control around 50 per cent of the provincial representation.

South Tyrol is a rather small region and, partly for this reason, one may expect to find a regional model of governance in which municipalities are granted significant discretionary powers in welfare administration. The Christian democratic political tradition inspiring the SVP may also have contributed to strengthening the so-called 'subsidiarity principle', according to which local/municipal authorities should be central actors in policy making and implementation (Huber, Ragin and Stephens, 1993: 717). In this context, the 'central' government of the region is expected to support or replace municipal authorities only when they are unable to perform their administrative functions. In reality, the approach of the South Tyrolean regional government has generally been much more centralistic and paternalistic than one would expect, with municipal and social actors more or less systematically excluded from core planning activities (Lippi, 2006: 219).

Of course, the establishment in 1991 of district agencies, called *Comunità Comprensoriali,* which involve municipalities in the administration of social services, has encouraged local communities to cooperate among themselves and with the regional government. For instance, municipalities, through the *Comunità Comprensoriali,* may participate in the drafting of the regional social plan. However, the regional government by exerting almost full control over the budgeting process clearly maintains a dominant role in the development of social programmes (Sagner, 2011).

This 'regional centralism' may be explained by the fact that the largest municipalities of South Tyrol (Bolzano and Merano) are the ones in which the Italian community is strong and the SVP has the weakest political support. On the other hand, the SVP is clearly dominant in most of the small municipalities and villages of the Autonomous Province[29]. The electoral geography of the region may therefore explain why the SVP has actually placed more emphasis on the regional (i.e.

[29] The Autonomous Province of South Tyrol has 116 municipalities 96 of these have a population of less than 5,000 inhabitants (source: http://www.comuni-italiani.it/021/lista.html, date of access, 1/12/2013).

provincial) level than on the municipal/local level. Indeed, in a context of higher autonomy of the local level, the largest municipalities, where the SVP is politically weaker, would have more opportunities (and resources) to challenge the policies promoted by the regionally dominant party. At the same time, a weak role of the regional government in social planning and coordination would risk jeopardising the effectiveness of social policies in small towns and villages in the rest of the Province, thus undermining the existence of a distinctive and integrated South Tyrolean welfare model.

Another interesting point is that, although the Italian central government still fully controls the administration of pension schemes and social insurance, South Tyrol also developed a system of complementary pension schemes between the early 1990s and early 2000s (Sagner, 2011: 174; Ferrera, 2005: 201). At the same time, a rather advanced and extended system of income support for vulnerable social groups has been established. In particular, South Tyrol is one of the few Italian regions to have introduced a 'basic guaranteed income' and a 'housing benefit' mainly targeted at the unemployed but also at students, pensioners and other economically vulnerable groups (even immigrants). In 2010, between 2.1 and 2.8 per cent of the population benefited from the two programmes (Sagner, 2011: 160), a rather high figure in a region where unemployment is below 3 per cent (ISTAT).

Of course, as already mentioned in this section, the financial generosity of the South Tyrolean welfare system is also explained by the fact that this region enjoys some fiscal autonomy (it is a 'Special Statute Region'). However, as shown in the quantitative analysis, formal institutional asymmetries are weakly correlated to welfare development in Italian regions and, in any case, they do not help explain how economic resources are allocated and administered. Indeed, welfare governance in South Tyrol is mainly the outcome of a political process in which the regionalist party SVP has been the undisputed protagonist.

In sum, the existence of a strong regional identity and political mobilisation seems to have favoured the emergence of a well-defined social model in South Tyrol. That model is in many respects different to the Italian model, defined as 'southern European' by welfare literature focusing on 'nation-states'. Indeed, whereas the former is characterised by integrated social governance, high spending generosity, pro-family public policies, complementary pension schemes and extensive support for the poor, the latter has often been described as a highly fragmented, underdeveloped, residual, familistic and 'exclusive' system of social protection.

South Tyrol is similar to other Italian regions characterised by what has been called *welfare munifico* – generous welfare (Caltabiano, 2004). This type of welfare can also be defined as the *alpine* model, given the fact that the regions adopting it are all located in the *alpine* macro-region and are characterised by the existence of similar territorial movements (*alpine* regionalist movements). The Autonomous Province of Trento has already been mentioned. Although its welfare system is less generous and distinctive than the South Tyrolean one, the increasing 'regionalisation' of its party system since the early 1990s (with the strengthening of the PATT and other autonomist movements) seems to have had an effect on the development of policies that are also characterised by high spending generosity, integrated services and pro-family policies. In 2012, during a general conference on the welfare system of Trento, Ugo Rossi, leader of the Trentino Tyrolean Autonomist Party and former provincial 'minister' of health care and social policy (today he is president of the Autonomous Province), argued that in a context of retrenchment of the Italian welfare system, the province of Trento increased its social spending (which is twice as large as the Italian average), extended the network of assistance for the most vulnerable sectors of society (the elderly, poor, children and youth) and implemented pro-family policies

aimed at boosting birth rates[30]. In 2011 the Provincial government even created a Provincial Agency for Family, Birth Rate and Youth Policies, with the aim of 'supporting the family through innovative policies'[31].

Another important example of the alpine welfare model is the Aosta Valley. In the quantitative section presented in the previous chapter, this small region of Northern Italy had the highest score of welfare development measured on a scale ranging from 0 to 1 (0.95). Also in this case, an ethno-regionalist party representing the French-speaking minority, the Union Valdôtaine, has been the dominant political force for many years. Similarly to South Tyrol, the creation of an integrated system of generous social programmes seems to lie at the heart of the welfare model of the Aosta Valley[32]. Figures provided by the Institute for the Study of Regionalism,

[30] Parts of Ugo Rossi's speech can be found at http://www.trentinofamiglia.it/Attualita/Archivio-2012/Marzo/Un-welfare-inclusivo (date of access 2/12/2013).

'Il contesto in cui troviamo ad operare è molto cambiato in questi anni. Basti un dato: nel 2007 il Fondo nazionale per le politiche sociali era di 745 milioni di euro, l'anno scorso è stato di 274 milioni, questi sono i tagli apportati dai governi nazionali. Poi c'è stata la riforma pensionistica, fatta nel giro di poche settimane, ma la sfida è l'invecchiamento della popolazione: in Trentino nel 1981 c'erano 11 mila persone con più di 80 anni di età, oggi sono 30 mila e le stime ci dicono che diventeranno oltre 50 mila nel 2030. Viviamo di più, ma è chiaro che le cronicità ci accompagnano per un periodo assai più lungo della nostra vita. Si lavora in modo discontinuo, non ci sono coperture pensionistiche, abbiamo anche un modello familiare in crisi, le difficoltà nelle genitorialita sono gravi e lo stesso disagio ha cambiato i suoi connotati: basti pensare al gioco d'azzardo. La crisi ha cambiato il contesto in cui viviamo e sono nate nuove povertà. In questo quadro altre indicazioni, ad esempio sull'immigrazione: oggi i nuovi trentini sono il 10 per cento della popolazione, erano meno dell'1 per cento nel 1992'. 'Il Trentino oggi mette in campo 268 euro, contro i 107 della media italiana, nella spesa pro capite in politiche sociali. La Provincia dovrà sempre più garantire reti di protezione, mentre toccherà alle Comunità, al territorio, al privato sociale e al volontariato essere chiamati a realizzare le risposte personalizzate al bisogno. Diverse sono le sfide: assegno di cura, ammortizzatori del lavoro - ricordo che con l'accordo di Milano possiamo sperimentare e sostenere ingresso e uscita dal lavoro -, sostegno alla natalità (e lo abbiamo fatto con legge apposita), frontiera della politiche della casa con una attenzione particolare nel far sì che all'abitazione possano accedere in particolare i giovani. Infine le politiche assistenziali, dove accanto al reddito di garanzia abbiamo voluto affidare responsabilità al territorio assegnando alle Comunità la competenza diretta. Già in questo 2012 avremo per la prima volta i piani sociali della Comunità, elaborati sul territorio con tutti i soggetti'.

[31] See http://www.trentinofamiglia.it/Menu/Chi-e-dove-siamo (date of access 02/12/2013).

[32] From the official website of the Union Valdôtaine http://www.unionvaldotaine.org/datapage.asp?id=87&l=1 (date of access 02/12/2013):
'Les politiques sociales continueront à assurer le Welfare régional, dans l'objectif d'une distribution toujours plus équitable des ressources, par le biais d'actions visant à identifier et à toucher les couches les plus faibles.

Federalism and Self-Government suggest that the amount of cash benefits directly transferred to families is very similar to that of South Tyrol, which, as shown above, is far above the average of all the other Italian regions[33]. Finally, in the 2000s, the government of the Aosta Valley has also promoted the establishment of complementary pension schemes aiming at compensating for the retrenchment of statewide social insurance[34].

Lombardy: the epicentre of the 'regionalist earthquake' in the late 1980s.

Until the early 1990s Lombardy was the stronghold of electoral support for the Christian Democratic Party (DC), the dominant party in central government, and the Socialist Party (PSI), its junior coalition partner. This perhaps explains the scarce attention that pre-1990 regional governments have paid to the development of region-specific social policies (Ciarini, 2012). However, in the early 1990s Lombardy became the centre of an electoral earthquake that would completely change the Italian party system and make the centre-periphery cleavage very salient in the political debate (Fargion, 2005). Indeed the Lombard League, a regionalist party that then merged with other regionalist parties and became the Northern League (LN), mobilised a very large share of the Lombard electorate on the basis of a platform that called for increasing regional autonomy and fiscal federalism. In 1994, in a context of deep crisis of statewide political parties, a member of the Northern League, Paolo

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Pour ce faire, le concept même de politiques sociales devra englober non seulement les actions d'assistance, mais aussi l'ensemble des politiques publiques destinées à défendre l'individu et sa famille'

[33] For instance, in 2010 the amount of per capita cash transfers to families was 400 euros in the Aosta Valley, 514 euros in South Tyrol and 202 euros in Trento. In all other regions, regional cash benefits to families were below 100 euros (average 16 euros). Data from ISSiRFA http://www.issirfa.cnr.it/1219,1018.html

[34] From the official website of the Union Valdôtaine http://www.unionvaldotaine.org/datapage.asp?id=87&l=1 (date of access 02/12/2013):
'Les réformes des retraites qui ont été introduites en Italie entraîneront une réduction progressive des couvertures garanties par la retraite de base; par conséquent, la prévoyance complémentaire représente un moyen toujours plus important pour le futur maintien d'un niveau de revenu adéquat. Il s'avère fondamental de mettre en œuvre les stratégies et mesures au profit de la population valdôtaine déjà énoncées dans la loi régionale n° 27/2006, en vertu surtout des compétences du ressort de notre Région.'

Arrigoni, even managed to become President of the Region[35] (although his presidency only lasted for one year).

As mentioned in the first part of this chapter, the LN soon established an alliance with the centre-right party created by Silvio Berlusconi in the mid-1990s. This contributed to the formation of a new *dominant* coalition that has been very active in the promotion of a Lombard model of welfare. Unlike the SVP, the Northern League has not monopolised the process of welfare building since it acted as a junior, although very influential, coalition partner of a statewide political party. Moreover, the Lombard health care reform was approved at the end of the 1990s, before the formal involvement of the League in the centre-right regional government. As underlined by Maino (2001) and Gori (2005), the Lombard branch of Berlusconi's party – *Forza Italia* (FI), later called *Popolo della Libertà* (People of Freedom, PDL) – and its leaders (especially the regional president, Roberto Formigoni) played a very important role in the transformation of the Lombard welfare system with the support of important interest and business groups, the most important ones being the catholic organisations *Comunione e Liberazione* (CL) and *Compagnia delle Opere.*

However, even if indirectly, regionalist mobilisation set the conditions favouring the process of sub-national welfare building. First of all, it put an end to the supremacy of political forces such as the Christian Democrats and its allies that considered Lombardy as an electoral fiefdom upon which they could rely to consolidate their control of the central government. With the rise of the Northern League, Lombardy ceased to be a safe power basis on which central elites could rely and in fact became a challenger of the national government. As already mentioned, the Northern League strengthened and stabilised the front of supporters of a market-based model of welfare (Alfieri, 2008), which, if efficiently implemented, would become an additional element of distinctiveness of the region.

[35] The other case of regional presidency obtained by the Northern League in the early 1990s was in the Friuli Venetia Giulia region (1993-1994 and 1994-1995).

Secondly, the increasing saliency of the centre-periphery cleavage in Lombard politics could not be ignored by the local leaders of the new statewide party founded by Berlusconi, which saw the League as an important ally but also as a competitor on the centre-right. As highlighted by Cento Bull and Gilbert (2001: 103), the Northern League's project of promoting Lombard autonomy could be perpetrated and expanded 'thanks to the renewed alliance between this party and Berlusconi's Forza Italia, which was subject to the latter accepting the need to promote regional autonomy'.

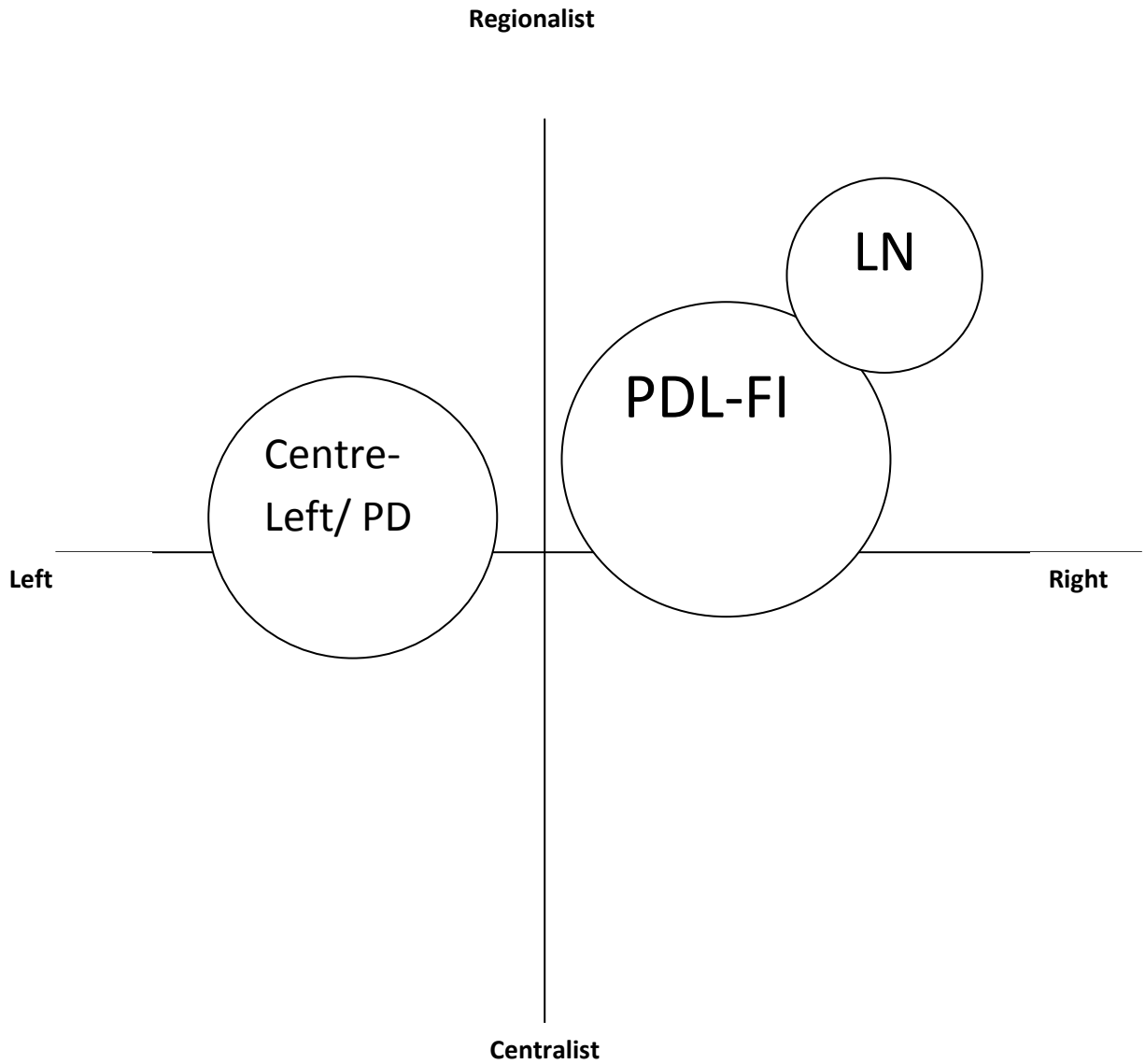
It should also be added that, as pointed out by Hopkin (2009a: 98), within the internal organisation of *Forza Italia* the Lombard branch led by Roberto Formigoni has *de facto* acted as an autonomous territorial party, following an independent political line and forming social and political alliances with a broad range of regional interest groups. This suggests that territorial mobilisation and region-specific issues may become important also within statewide political parties that are characterised by a 'stratarchical' political organisation (Carty, 2004; Katz and Mair, 2009) and are challenged by *purely* regionalist parties. These intra-party dynamics were not detected by the quantitative analysis presented in the previous chapter and this points to the importance of combining quantitative and qualitative analyses (the 'nested' analysis proposed by Lieberman [2005]) in order to maximize the validity of social and political research.

Additionally, it is important to note that, once the Northern League became a stable coalition partner in the centre-right Lombard government, it almost constantly controlled the regional department of health care[36]. Therefore the LN has gradually strengthened its role in the governance of Lombard welfare and has also become increasingly closer to key interest groups, like the already mentioned *Comunione e Liberazione* (Pinotti, 2010), with which it had initially had a difficult relationship.

[36] Two Northern League members, Alessandro Cè and Luciano Bresciani, were health care 'ministers' in Lombardy between 2005 and 2012.

Thus, in the two-dimensional map of party competition (Figure 3.9) the LN is located on the right of the political spectrum and on the pro-regionalist side. Unlike the SVP, however, it is just a junior partner of a larger statewide, centre-right force (PDL-FI), which, however, has also been moderately supportive of decentralisation. On the left, we find the centre left coalition, dominated by the Democratic Party, PD, which has played an opposition role in regional politics over the last twenty years.

Figure 3.9. Locating Lombard parties on the two-dimensional political map combining left-right and centre-periphery cleavages



As shown in the quantitative part of this study, today the Lombard welfare system is one of the most efficient in Italy and provides an extensive set of services to Lombard citizens. However, the provision of such services is not fully controlled by the public sector. As underlined by Gori (2005), the long-term plan of the Lombard regional government is to privatise the provision of social services, while assigning the role of financier and regulator to the public sector. This can also be defined as a 'competition system under fixed prices' or 'quasi-market system' with the assumption that the only way public and private providers can compete, given that the prices paid by patients are fixed (at zero), is via their quality and their ability to meet the demand generated by their choice of quality (Colombo, 2008: 191; Gravelle et al. 2012: 5; Benassi and Mussoni, 2013: 171–172). Competition among private service providers is thought to make the allocation of public funds more efficient. In the health care sector, the main principle that has driven health care reforms in Lombardy is that 'money follows the patients' and this should reward those providers that are able to attract a larger number of 'citizens-customers' (Neri, 2008: 107; Bifulco 2011). Table 3.2 shows that the percentage of in-patients treated in private hospitals increased considerably in Lombardy from 1995 to 2010, whereas it remained stable, at relatively low levels, in Tuscany and South Tyrol.

Table 3.2. Percentage of in-patients treated in private hospitals (1995–2010).

	1995	**2010**
Lombardy	11%	26.9%
Tuscany	5.9%	7.3%
South Tyrol	8.5%	5.1%

Source: Italian health ministry www.salute.gov.it . Author's own calculation.

As underlined by Fox Harding (1996: 212), 'in the field of family policy, it is important to distinguish rhetoric from reality'. Indeed, another aspect that characterises the new Lombard welfare is the marked discrepancy between formal political statements that are highly supportive of the role of the family (Marotta, 2011; Gori, 2011a) and actual policies. For instance, the social plans of 2005-2009 and 2010-2014 clearly state that the aim of the region is to build a system that has '*the individual and the family* at its centre' (Piano Socio-Sanitario, 2007-2009: 34; Piano Socio-Sanitario, 2010-2014: 38, italics added). However, as underlined by Gori (2005, 2011b) and as suggested by the spending figures presented in the previous section on South Tyrol, the actual support for the family – in terms of monetary transfers and in-kind services – seems rather limited. This is not so surprising since the largely pro-market idea of social assistance supported by the Lombard ruling coalition seems to put more emphasis on individual choice rather than on the preservation of traditional family ties.

Despite the promotion of 'horizontal subsidiarity' between public and private sectors, the Lombard government has established a rather vertical system of governance in which sub-regional, municipal authorities are seen as rather passive executors of decisions taken by regional central institutions (Pavolini, 2008: 175). Therefore national centralism has been replaced by *regional centralism*. District health care agencies (the ASL) have been created but they have not been arenas of local social planning but instruments of control and monitoring over the implementation of central programmes. This has not substantially changed since the establishment of district plans (*Piani di Zona*) in 2002, since the plans directly developed by the regional government have remained quite detailed, leaving municipalities with little margin for manoeuver (Avanzini and Ghetti, 2011: 108). Therefore there is a hierarchical rather than horizontal relationship between regional agencies and municipalities (Gori, 2005).

Additionally, the region does not seem to encourage the formation of an institutionalised system of bargaining with social partners. Agreements with trade unions and employers' organisations are often the initiative of individual (often centre-left) municipalities (Colombo and Regalia, 2011) without the coordinating action of the regional government. In any case, *concertazione*[37] is not recognised as a stable method of social governance. The type of welfare system adopted in Lombardy has been influenced by the marked aversion of the regional government towards the role played by municipal authorities and social partners in the planning of social programmes. It is also partly influenced by the more 'region-centric' vision of governance supported by the Northern League (Stacul, 2003: 30), which sees regional institutions as the most important level of political action against the centralising pressures of Rome and the demands coming from sub-regional municipalities that are often controlled by hostile, centre-left coalitions. Indeed, whereas the regional government has been constantly controlled by a centre-right coalition within which the Northern League has been one of the two main pillars (together with Berlusconi's party), many municipalities in important areas of Lombardy have been controlled by centre-left coalitions. Thus the sub-regional map of power of Lombardy has been much more complex than the macro-level picture suggests (Calossi, 2013) and this has had a certain (negative) effect on the relationship between regional and sub-regional authorities.

Also in the sector of social assistance, Lombardy emerges as the most market-oriented region. Indeed, with the establishment of a system of vouchers (Gori, 2005; Giunco, 2011; Pesenti, 2005), Lombard citizens are free to choose their service providers, which therefore have to compete in order to attract the largest share of customers and obtain public funds. The highly distinctive welfare system of Lombardy is therefore based on the figure of the 'individual-customer', who is given

[37] Type of social governance in which social partners (especially trade unions and employers' organisations) play an important role under the coordination of public institutions.

full freedom of choice in a competing system of service providers (Pavolini, 2004: 192). In sum, regionalist mobilisation has created the conditions for the construction of a peculiar model of welfare that tries to promote Lombard citizens' well-being by fostering private participation in social assistance.

As in the case of South Tyrol, also Lombardy has exploited the opportunities offered by the process of European integration and has promoted social cooperation with regions in other EU member states. In 1988, 'The Four Motors of Europe' – an interregional association between Lombardy, Catalonia, Baden Württemberg and Rhônes-Alps – was created to strengthen economic cooperation among four of the richest regions in Europe. This, in turn, prompted the trade unions of the four regions to coordinate their actions and promote a common social agenda (Ferrera, 2005: 185). To be sure, this regional association was more based on socio-economic affinities than on geopolitical, political and cultural factors (which play a much more important role in the Alpine Euroregion to which South Tyrol belongs). However, it is another example of Europe as an open arena in which alliances between regions belonging to different countries may take place and may give life to initiatives that often include a social policy component. Additionally, one can note some common characteristics, such as the market-based approach and the stress on freedom of choice, in the social models adopted by Lombardy and Catalonia (for a detailed analysis of the Catalan case see chapter 6). This aspect, of course, does not provide enough evidence to causally link interregional associations and the diffusion of specific social models, but may suggest that cross-border regional cooperation is positively driven by the existence of common conceptions of social governance.

Overall, as highlighted by Colombo (2008: 192), the Lombard model is 'very different from the traditional Italian welfare system'. Indeed, whereas the former is inspired by 'freedom of choice and public recognition of private initiatives', the latter views 'social policy and education as matters which belong to the public-monopoly remit'. The result is that the 'two different perspectives are confronting each other'.

In the Italian system, 'individuals, families and social bodies are assisted as passive targets of welfare policies'. On the other hand, in Lombardy, individuals and, to a lesser extent, families and social bodies (mainly pro-business organisations) 'are empowered and conceived as active subjects of welfare policies'.

Despite this generally positive picture, in more recent years the Lombard system has undergone a period of crisis due to some corruption scandals that have exposed the collusion between the regional political elite and the private associations, particularly CL, that have promoted the marketization of the Lombard welfare system. Yet these scandals have not resulted in a change of orientation of the regional government and have actually increased the strength of the Northern League in the regional government. Indeed, Roberto Formigoni, president of the regions since 1995 and member of Berlusconi's political movement, has been replaced by Roberto Maroni, new leader of the Northern League, who won the regional election in 2013 with the support of a 'renewed' centre-right coalition. Thus, despite its electoral decline in the national political debate, today the Northern League has become the leading party of the Lombard government. So far, this 'change of the guard' within the dominant centre-right coalition has not produced any substantial change in the type of welfare model promoted in Lombardy, thus supporting once again the argument that the League has also been an important promoter of the 'market-based' model of welfare established in Lombardy. In his election programme, Maroni underlines the importance of further developing the 'open' health care system of the region based on the 'freedom of choice between public and private sectors'. The same programme also emphasises the fundamental role of the 1997 reform of the health care system that started the process of 'new' welfare building in Lombardy (Northern League-Maroni, Election Programme 'La Nostra Lombardia', 2013: 18).

The case of the Veneto, another region in which the Northern League has had significant support, is more puzzling than the Lombard one. In the quantitative analysis presented in the previous chapter, the Veneto has an intermediate score of welfare development, well below that of other regions in which regionalist mobilisation has been rather strong. How then can this 'Venetian exception' be explained?

One possible explanation can be found in the context in which Venetian territorial mobilisation emerged. Indeed, the Veneto is often considered as the best example of an Italian region in which a deep and socially diffuse political sub-culture influenced by Catholicism has developed and remained very strong for most of the 20th century[38] (Baccetti and Messina, 2009). It is therefore not surprising that this sub-culture has also influenced the Venetian branch of the Northern League, which in the 1990s replaced the Christian Democratic Party as the dominant political force in important parts of the regional territory (Bull and Gilbert, 2001: 102). Subsidiarity has been one of the main principles supported by social Catholicism and this has resulted in more emphasis being placed on the social role of municipalities, local organisations and the church rather than on the role of region-wide institutions and political actors. Given this historical legacy, the Venetian welfare system has developed as a 'polycentric' system in which regional institutions have played a less central role even in a context of increasing territorial mobilisation (Ciarini, 2012: 145). In fact, the strengthening of regional autonomy and identity has contributed to the consolidation and development of a polycentric and local-based, rather than region-centric, social system (Ibid: 148). Since the data used for the quantitative part of this study mainly refer to the level of development of policies *directly promoted and planned by the regional government*, they may not have captured the high development and distinctiveness of social policies promoted at the local level.

[38] Catholicism has been very strong in many Italian regions, particularly in the South. However, the Veneto region has been the only case of 'organised' Catholicism, which has supported the emergence of a highly developed and integrated civil society.

Additionally, other qualitative data, which could not be included in the quantitative part, seem to suggest that, at least partly, the Veneto has also been an arena for the development of innovative social policies. For instance, a regional solidarity fund was established in the 1990s to promote individual retirement savings (Ferrera, 2005: 201). The stress on complementary pension schemes for some specific sectors of the labour force makes the Veneto partly similar to conservative/alpine regions, although in the Venetian case social partners (the catholic trade union, CISL and employers' organisations) seem to have played a more active role.

Finally, the fact that the region-wide welfare model of the Veneto is not as well defined as the Lombard one may be due to political dynamics within the Northern League and to differences in the level of autonomy of regional leaderships within the mainstream centre-right party, Forza Italia-PdL. Firstly, the Northern League can be defined as a macro-regionalist party, since it is a federation of different regionalist movements that merged in the early 1990s. The Lombard League, originally led by Umberto Bossi, who then became the leader of the whole confederation, has always been at the centre of the running of the confederated organisation. As pointed out by Tambini (2001: 92), the regional branches of the Northern League have had little influence in the highly centralised policy formulation process of the League dominated by the Lombard leadership of Umberto Bossi and his closest allies. Lombardy has therefore been more relevant in the political strategies of the macro-regionalist party and in the formation of its social and political alliances. At the same time, as already mentioned, the Lombard branch of Forza Italia-PdL has enjoyed greater autonomy from the central leadership than all the other regional branches of the party, including the Veneto, and it has been able to build very solid alliances with Lombard interest groups. Thus, the Lombard-centric organisation of the League and the high autonomy and strong social ties of the Lombard branch of Forza Italia-PdL may have had a positive combined effect on the

elaboration and implementation of a Lombard model of welfare that is easier to identify than the Venetian one.

In conclusion, it should be underlined that things changed significantly in the late 2000s, when the electoral support for the Venetian League significantly increased and the regional leaders of the party managed to increase their autonomy and their influence on the central party. This has been combined with the crisis of the Lombard leaderships of the League (the downfall of Umberto Bossi in 2012) and of Forza Italia-PdL (the end of the almost twenty-year-long leadership of Roberto Formigoni in 2013). The quantitative data used in this study only marginally refer to the late 2000s and, therefore, they may not have detected the effects of these changes in political equilibriums.

Conclusion

This chapter has shown that territorial mobilisation has played a very important role in the process of regional welfare building in Italy. Of course, regionalist parties may end up building qualitatively different models of welfare depending on their origins, on the role that they play in the regional party system and on their ideas of social justice. Moreover, as the Lombard case shows, regional branches of statewide parties that are influenced by regionalist mobilisation and enjoy high autonomy from the central party leadership may also be very active in promoting distinctive social policies at the regional level. This underlines the importance of considering both *cross-party* and *within-party* political competition.

The analysis of the case studies presented in this chapter also highlights the shortcomings of welfare classifications that take the nation-state as the only level of analysis. Indeed, both the alpine regions and Lombardy show characteristics that cannot be found in the general description of Italy as a Southern European welfare model. Indeed, the latter is characterised by low generosity and coverage of benefits, high fragmentation, low development of social services and *familism*. The alpine

model, on the other hand, is very generous, highly integrated, and supportive of families though a well-developed system of benefits and services. The Lombard model is also very peculiar, since it has promoted important forms of horizontal subsidiarity between public and private actors, which cannot be found in other Italian regions, and has stressed the importance of individual citizens' freedom of choice.

Chapter 4.

Class mobilisation and regional welfare building: the 'peculiar' case of the Italian Left

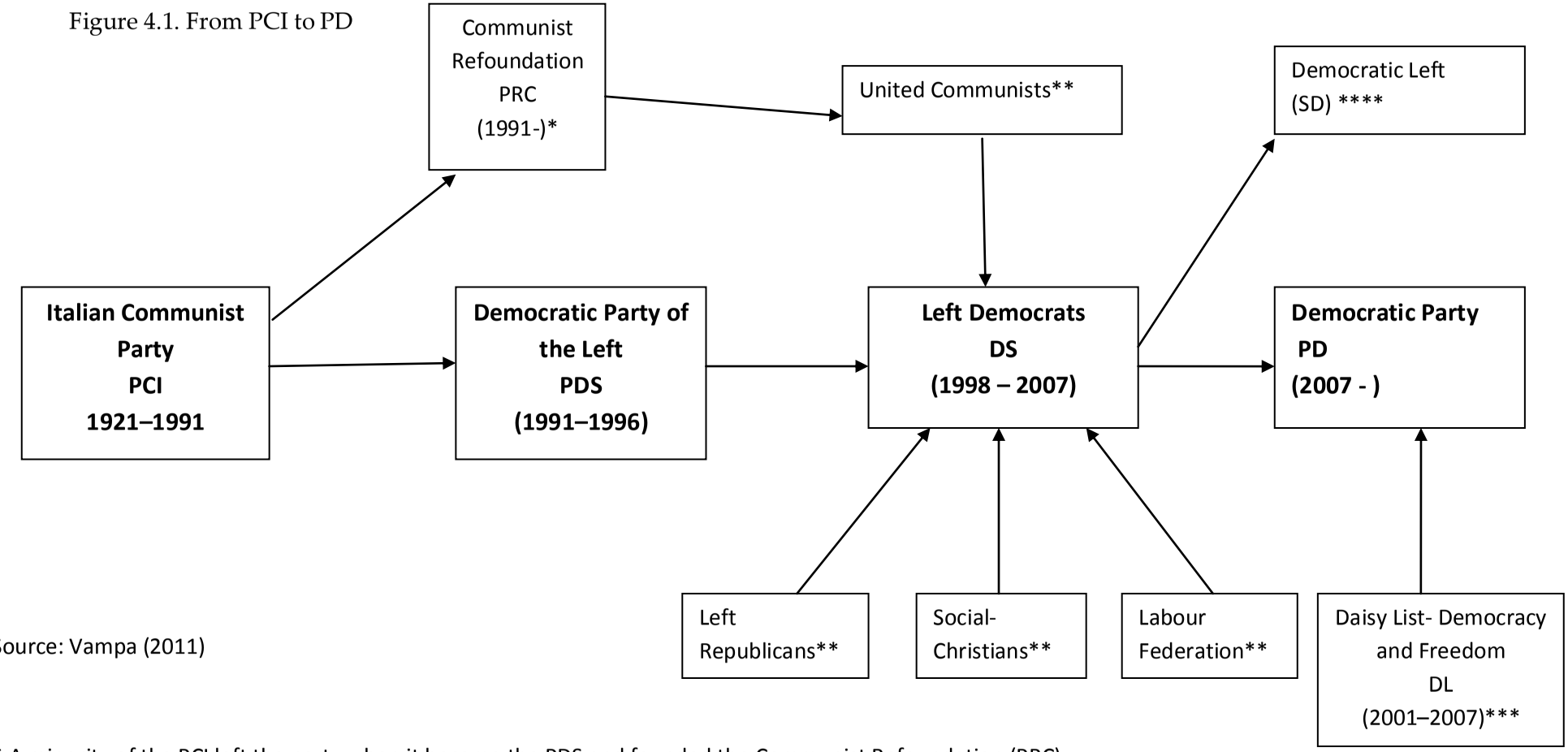
The Italian Left: past and present

The history of the Italian Left in the last fifty years has been quite different from that of the Left in other European countries. Indeed, until the early 1990s Italy was the only country in which an openly communist party controlled the majority of left-wing votes (winning between 20 and 34 per cent of the total vote) and was constantly excluded from government (Vampa, 2009). Between 1950 and 1992, the other main party of the Left, the Italian Socialist Party (PSI), never managed to obtain more than 15 per cent of the total vote and was squeezed out by the competition between the two main competing parties, the PCI and the Christian Democrats (DC). Of course, the importance of the PSI in Italian politics increased in the 1980s. The new leader of the party and Italy's first socialist prime minister, Bettino Craxi, 'wanted to cultivate the impression among the middle-class electorate that he could make modern Italy governable through strong executive control' (Maguire, 1993: 87). Yet when Craxi became Prime Minister in 1983 he was in a very different position from that of his socialist colleagues Felipe González and Andreas Papandreou, since his coalition was composed of five parties among which the Christian Democrats (Democrazia Cristiana, DC), and not the PSI, was the largest (Vampa, 2009: 350).

In the 1980s the Italian Communist Party (PCI) underwent a process of 'social-democratisation' and began the march towards its transformation into a more moderate, centre-left party (Vampa, 2009: 351). In fact, 'the PCI's conscious shift towards an ideological affinity with social democracy came after Berlinguer's death'

(Abse, 2001: 61), that is, in the early 1980s. In 1989 an important member of the German Social Democratic Party (SPD), Peter Glotz, stated that 'the PCI can be considered as a truly social-democratic party. It only needs to openly and officially define itself as social-democratic' (interview in Barbieri, 1989: 4, quoted in Vampa, 2009: 353). In the early 1900s the PCI was officially transformed into the Democratic Party of the Left and in the late 1990s its name was again changed, becoming the Left Democrats (DS). The PDS became a member of the Socialist International and even managed to become a governmental force for the first time in 1996, although, again, it was part of a larger coalition including moderate, centre parties. Figure 4.1 summarises all the transformations that the main party of the Italian Left has undergone over the last thirty years.

Figure 4.1. From PCI to PD

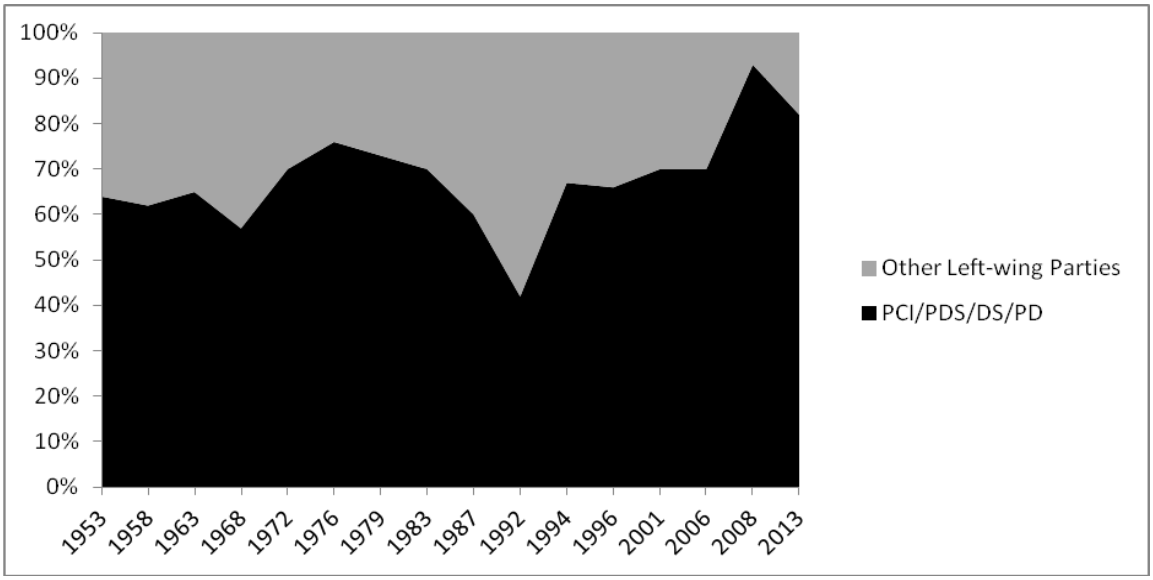


Source: Vampa (2011)

* A minority of the PCI left the party when it became the PDS and founded the Communist Refoundation (PRC)
** The United Communists left the PRC in 1995. The Left Republicans were the left-wing faction of the old Republican Party (PRI) in 1994. The Social-Christians were a small left-wing faction of the old Christian Democratic party (DC). The Labour Federation was founded by some members of the old Socialist Party (PSI) in 1994.
*** The Daisy List was the second largest party of the centre-left Olive Tree coalition. It was founded by the Christian Democratic People Party and other centre parties in 2000.
**** The left-wing faction of the DS left the party before the creation of the PD and formed a new movement called 'Democratic Left' (SD).

The process of transformation of the Italian left was completed in the late 2000s with the creation of a broad centre-left party: the Democratic Party (PD). Figure 4.2 shows that the PCI-PDS-DS-PD has constantly controlled a clear majority of left-wing votes[39] (with the only exception being 1992) and it is therefore important to focus on this party and its political strategies when assessing the impact of left-wing mobilisation on regional welfare development.

Figure 4.2. Electoral support for the PCI/PDS/DS/PD as a percentage of the total support for left-wing parties



Source: Italian Interior Ministry (www.interno.it). Author's own calculation.

[39] Other left-wing and centre-left parties are the Italian Socialist Party (PSI), Italian Socialist Party of Proletarian Unity (PSIUP), Proletarian Democracy (DP), Communist Refoundation Party (PRC), Federation of the Greens (FdV), Party of Italian Communists (PdCI), Rainbow Left (SA), Civil Revolution (RC).

The PCI/PDS/DS/PD and Territorial Politics

Attitudes towards decentralisation and regionalism

As already mentioned, long-term exclusion from central government seems to have had an important effect on the attitudes of the main party of the left towards the regional dimension. Mazzoleni (2009: 207) points out that:

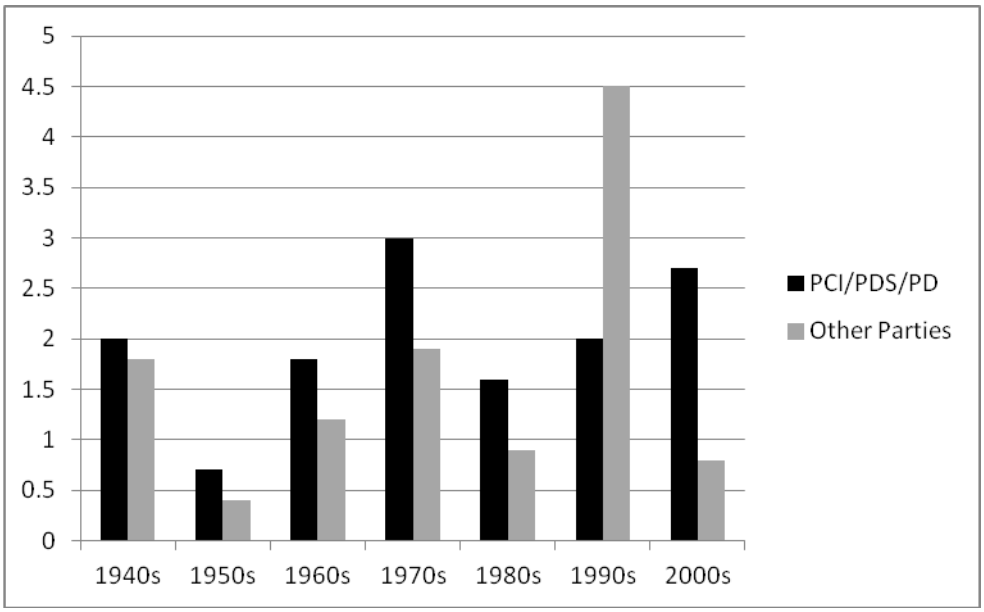
> [T]hrough the 1950s there was a radical shift of party positions: the Communists and Socialists, excluded from national government, began to adopt a strong decentralist stance, conscious of their massive electoral support in some regions, and for similar reasons the ruling DC blocked the implementation of decentralization, discovering the benefits of a centralized unitary state.

Using the data of the Party Manifesto Project (Budge et al., 2001; Volkens et al., 2013), it is possible to measure the support of main Italian parties for decentralisation based on the analysis of their political programmes. Figure 4.3 compares support for the decentralisation of the PCI (then PDS, DS and PD) with average support for the decentralisation of the other Italian parties obtaining more than 4 per cent of the vote[40]. It can be seen that for most of the time since the post-war period the main party of the Left has been more in favour of decentralisation than the rest of the party system. The difference in support for decentralisation is very noticeable in the 1960s, 1970s and 2000s. It is interesting to see that the only decade in which the PDS/DS was substantially less supportive of decentralisation than the other main parties is the 1990s. This can be explained by the fact that during this decade the Northern League emerged as an important actor in national politics and, at the same time, the Left managed to become the main governing force in Rome for the first time in almost

[40] By using the Comparative Manifesto Project codebook, support for decentralisation is measured by subtracting the category 302 (General opposition to political decision-making at lower political levels. Support for unitary government and for more centralisation in political and administrative procedures) from the category 301 (Support for federalism or decentralisation of political and/or economic power).

four decades. Yet it lost control of central government again in the 2000s (with the exception of the 2006-2008 biennium).

Figure 4.3. The support for decentralisation of the main party of the Left compared to average support for decentralisation of all other Italian parties with more than 4 per cent of the vote



Source: Volkens et al. (2013). Author's own calculation

The territorial organisation of the Party

In the last three decades the main party of the Left has completed the transition from the monolithic and centralised power structure of the old Communist Party to a pluralistic and decentralised organisation (Giannetti and Mulé, 2006: 476). Even in the context of high centralisation of the 1960s and 1970s, the regional branches of Emilia Romagna and Tuscany, where the PCI had very strong political support (see next section), enjoyed enough authority to become important laboratories for the promotion of region-specific policies.

During the 1980s and, even more so, immediately after the creation of the PDS, local elites started campaigning for a less centralised party organisation and regional leaders were given more power and autonomy. Although oligarchic tendencies were still very strong, a new-*federalist* culture soon developed within the party accompanied by the emergence of local clientelism and patronage (Baccetti 1997: 104–111). The process of decentralisation was continued by the DS in the early 2000s when the statutes approved during the congress in Turin (2000) and Pesaro (2005) sought to create a 'federal party', with regional units (*Unioni Regionali*) as the basic organisational level (DS constitution, 2005: art. 7). The provincial organisations (*Federazioni Provinciali*) also played the fundamental role of mediators between party members and central office (Ibid.: art. 8.4).

Within the Democratic Party, founded in 2007 by the Left Democrats and Left-wing Christian Democrats (see Figure 4.1), the autonomy of the regional and provincial organisations has further increased. Indeed, the Democratic Party is explicitly defined as a federal party (PD Constitution, 2010: art. 1) in which regional and local organisations enjoy a high degree of autonomy. According to the new constitution, Regional Units are granted full political, financial, programmatic, and organisational autonomy (PD constitution, 2010: art. 12.1). The national party organisation may intervene only if local units do not respect the very general principles stated in the Ethical Code or Party Manifesto (Ibid.: art. 12.2). Local leaders (*segretari regionali* and *segretari provinciali*) may also oppose the decisions taken by national leaders by appealing to a special committee (Ibid.: art. 12.3). Like in the DS, in the Democratic Party the regional leaders form a federal committee representing them at the national level. However, this committee does not have any effective power and it can only approve non-binding resolutions (Ibid.).

Overall, the 'vertical integration' between national, regional, and local organisations within the PD is rather weak. Vertical integration refers to the extent of organisational linkages, interdependence and cooperation between central and

regional party organisations in both the parliamentary and extra-parliamentary arenas (Thorlakson, 2009: 161). Patterns of vertical interaction may take a 'top-down' or 'bottom-up' form (Swenden and Madsen, 2009: 7). In a centralised party (like the Italian Communist Party) top-down relations are dominant and local organisations are subject to the strict control of the central office. By contrast in federal parties the regional units enjoy significant autonomy but, being strongly integrated in central party organs, all cooperate at the national level in order to define the strategy of the party (Bolleyer, 2011: 17). Therefore, the interaction is bottom-up since the national leadership relies on the support of local units. The organisation of the PD has gone beyond these two types of vertical integration (Fava, 2010: 620) and today it is more akin to a *stratarchy* (Katz and Mair 2009), in which each organisational layer is almost totally independent of every other layer and focuses on a different territorial and political dimension. This increasing disconnection between statewide and regional party organisations may have also resulted in further territorial differentiation of social policies promoted and implemented in the so-called 'Red Belt'.

A regionally concentrated electoral support: the Red Belt

It should be underlined that electoral support for the PCI and its successors has been regionally concentrated (Diamanti, 2003). The main party of the Left has been electorally successful in an area that has often been defined as the 'Red Belt' (Ramella, 1998; Vampa, 2009). The borders of this *macro-area* have been rather stable over time and mainly include three regions: Tuscany, Emilia Romagna and Umbria. Such regions have been characterised by what has been defined as 'red political sub-culture' (Floridia, 2010). According to Trigilia (1986), a territorial political subculture can be found when the support for a specific political force, emerged and strengthened in a long historical process, is almost 'consensual' within a local community and such political force is an important mediator and aggregator of different interest groups at the local level. At the same time, the existence of political

sub-cultures seems to be strongly linked to high levels of *civic culture* as underlined by Putnam (1993). One may argue that political sub-culture and *civicness* are mutually reinforcing since the former contributes to reducing social fragmentation and atomisation (or familialism), whereas the latter has a positive effect on active political participation, which strengthens political identities.

The existence of a limited geographical area characterised by 'left-wing consensus', combined with long-term exclusion of important forces of the Left from national government and increasing stratarchisation of the party organisation, may have contributed to the emergence of an alternative welfare model at the regional level. In the next section I therefore outline the main characteristics of social policies developed in the red-belt and I show that they diverge quite substantially from the so-called 'Southern European' welfare model.

The 'Red Belt': social-democracy at the local level?

As underlined in the previous section, in the *red regions,* Tuscany, Emilia Romagna and Umbria, the weakness of territorial mobilisation has been compensated by the existence of a deep-rooted *political sub-culture* based on socially progressive values. Only in Emilia Romagna has the Northern League been able to obtain some good results in recent years (Stefanini, 2010), although it has failed to achieve the level of political influence that it has had in Lombardy, the Veneto and other Northern Italian regions. The political strength of the Left in the red regions is even more impressive if compared with its relative weakness in the rest of the country. Additionally, the strength of the 'red' political subculture has resulted in a very stable political system in which the ruling parties have never been seriously challenged by the opposition (Passarelli, 2013; Chelotti, 2013). As underlined by Tronconi (2013: 82–83), Emilia Romagna and Tuscany are the two Italian regions with the most cohesive and least vulnerable governments. In this highly stable and politically distinctive political context, it is possible to talk about the emergence of forms of *sub-state social-*

democracy. This section focuses on the two largest regions of the Red Belt, Emilia Romagna and Tuscany, and highlights the main characteristics of the welfare models that they have developed in the last decades.

According to Ciarini (2012), the development of more extensive social policies in Tuscany and Emilia Romagna date back to the emergence of the first socialist movements at the beginning of the 20th century. The marginal role that these movements played at the national level made the local dimension the only one available for the promotion of universalistic welfare values. This legacy re-emerged and consolidated after the collapse of Fascism. Fargion (1997) has underlined that, since an important part of the Italian Left was excluded from the central government for many years after the end of World War Two, sub-national policy making soon became the only instrument it had to implement its political agenda. The author even talks of a *refoundation of the welfare state* promoted by the red regions at the sub-state level (Ibid. 164). Baccetti (2005) argues that, for instance, the Tuscan branch of the Communist Party 'invested' a lot of resources in the construction of regional institutions. Particularly in the field of social policy, the aim of the Communists was to use sub-state institutions (both regional and municipal) to provide an example of good administration (*buon governo*) that could be contrasted with the residual and inefficient system of welfare promoted by the Christian Democrats at the national level (Baccetti, 2005: 223). Generally, this 'regional focus' was translated into strong *policy interventionism* of local and regional authorities, which actively promoted a *universalistic*, advanced and integrated system of public services in the red regions (Ramella, 2005: 144).

The three distinctive elements of the welfare models of Tuscany and Emilia Romagna are the centrality of the public sector, the existence of an extended and highly coordinated network of social policy-making, which involves municipalities and social partners and the promotion of equality of status among all citizens. As already shown in the comparison with the Lombard case, in the health care sector the

process of 'marketization' has been almost completely absent in Tuscany where social protection is considered as a public good that could not be subject to the logics of market competition. Therefore, public hospitals and organisations still provide most of the health and social care services.

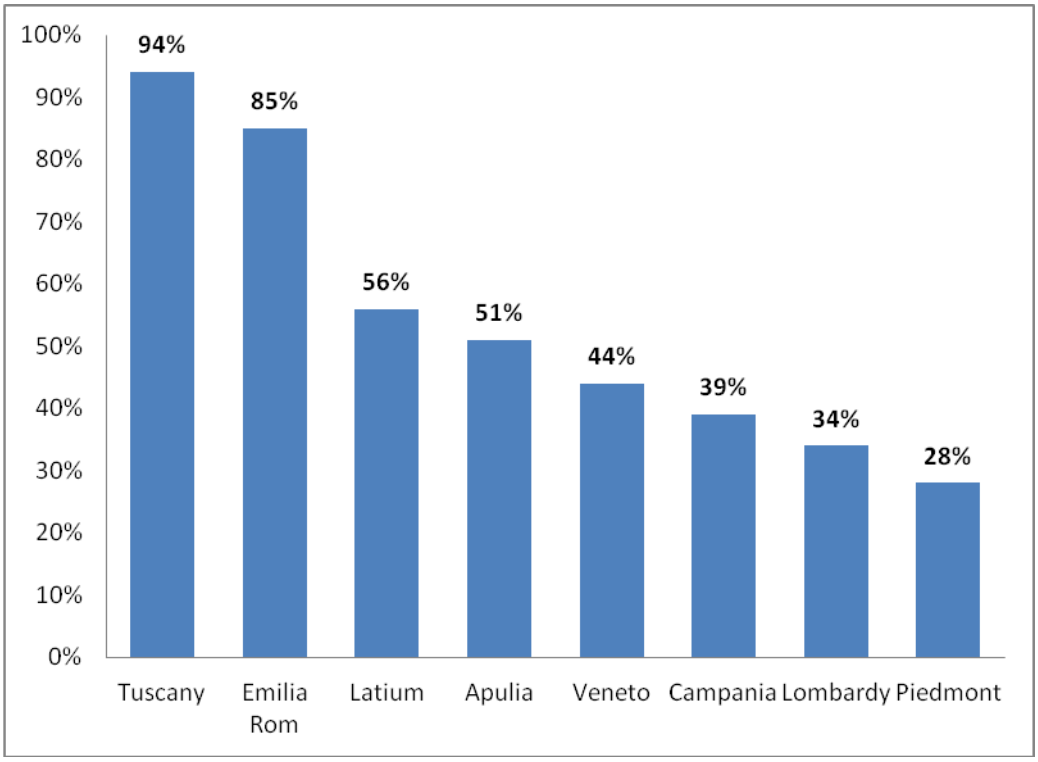
In Tuscany, social partners are fully involved in the policy making process through the so called *tavoli di concertazione*, where trade unions and employers' organisations 'discuss and make recommendations to the regional government on legislation and policy initiatives' (Keating, 2014: 144). Moreover, as underlined by Fargion (1997), Cepiku and Meneguzzo (2006), Pavolini (2008) and Ciarini (2012), municipalities have played an active role in the elaboration and implementation of regional social plans in the Red Regions. However, this cannot simply be defined as 'vertical subsidiarity' since each municipality is not just granted extensive autonomy in social policymaking, but, rather, it is encouraged to coordinate and cooperate with other municipalities and with regional institutions (Neri, 2008: 109). This can also be defined as a *network governance* model (Cervia 2011). In Tuscany representatives of local communities are actively involved in social planning through the district organisations, the *Società della Salute,* set by the regional government in 2004 (Regione Toscana, 2009), in which health and social care services are fully integrated. Also in Emilia Romagna municipalities are recognised as the main strategic actors in the development of regional social policies. Unlike Lombardy, where money transfers are controlled by regional agencies (Asl), in Emilia Romagna municipalities can directly manage the redistribution of economic resources transferred by the regional government (Arlotti, 2012: 315).

In addition, constant bargaining between planners and providers of social and health care services does not result in the emergence of a system based on full competition between providers like the Lombard one (Neri, 2008: 109). Public agencies at the district level (*Società della Salute* or *Aziende Sanitarie Locali*, Asl) directly provide services or rely on the services of a limited set of *preferred providers*

(Benassi and Mussoni, 2013: 175–176). The outcome of this decentralised but highly coordinated system is that, as in the case of social-democratic systems in Northern Europe (Lähteenmäki-Smith, 2005: 172), all citizens are expected to receive similar standards of public services independently of whether these are provided directly by the region or by other actors, such as municipalities or cooperatives.

The active involvement of municipalities in an integrated network of social planning has also been facilitated by the fact that the red regions are characterised by a high degree of political homogeneity across different levels of administration. Figure 4.4 highlights the fact that in Tuscany and Emilia Romagna the parties controlling the regional government are also dominant in most of the medium-sized and large municipalities. The peculiarity of these two regions is even more evident if they are compared to other large regions such as Piedmont, the Veneto, Lombardy, Latium, Campania and Puglia. As already mentioned in the previous chapter, social governance in Lombardy has developed in a clearly hierarchical and region-centric way and this may be due to the fact that the regional government has been dominated by a coalition of parties that have failed to control the overwhelming majority of municipalities. In fact, whereas in Lombardy regional governing parties control just one third of medium-sized and large municipalities, in Tuscany and Emilia Romagna they control 96 and 85 per cent of such municipalities.

Figure 4.4. Percentage of municipalities (with a population above 15,000 inhabitants) controlled by regional governing parties (January 2014)



Source: http://www.comuni-italiani.it/. Author's own calculation (date of access 26/01/2014).

Consistent with the dominance of a left-wing political coalition, there is no clear emphasis on the role of the family in Tuscan social policies. For instance, in the social report of the Tuscan region (2009), the regional government explicitly expresses scepticism about the role of the family as the focal point of social protection in a context of increasing involvement of women in the labour market and a decreasing number of married couples. Indeed, 'the redistributive role of the family can no longer be taken for granted' and, therefore, 'without the support of the public sector, vulnerable social groups risk ending up below the poverty threshold' (Regione Toscana, 2009: 34). For this reason, the regional government, together with other social and institutional actors, has been active in the implementation of an *integrated system of social services* (Ibid.: 5) upon which citizens can still rely in the context of the declining centrality of more traditional family networks. Using Fox Harding's (1996)

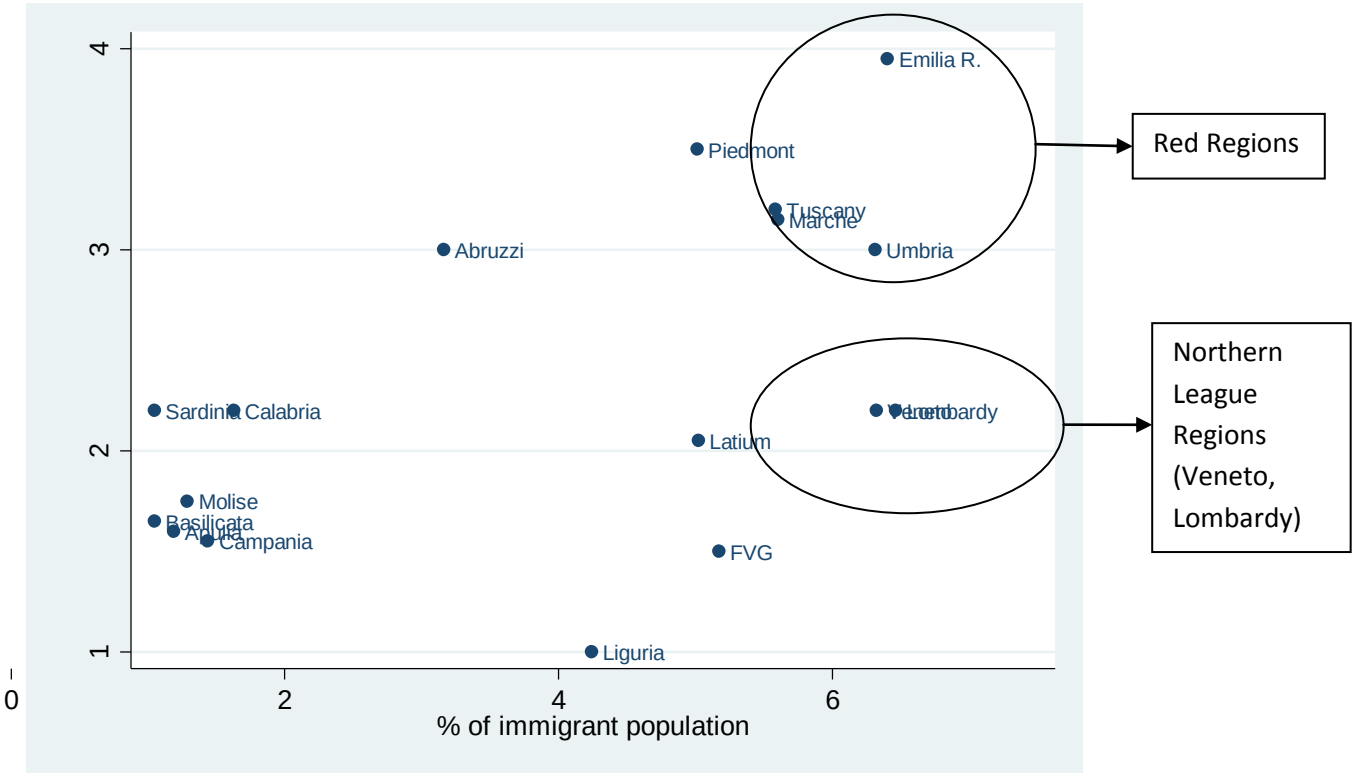
categories, it can be argued that, whereas, for instance, the South Tyrolean system is 'supporting families', the Tuscan model instead tends to respond to needs and demands coming from *individuals* regardless of their family conditions and is much less interventionist in family matters. Also Pesenti (2005) has noted that the Tuscan region pays attention to the role of the family only in relation to a very limited range of childcare policies. This 'progressive' approach to family policy has also influenced other policy areas. For instance, Tuscany is the only Italian region that has approved and regulated artificial insemination by donor (AID), even though this practice has been explicitly forbidden by the central government, which takes a more 'traditionalist' position on this issue (Piccolillo 2014).

The universalism that characterises the welfare systems of the Red Belt also results in policies that pay particular attention to the rights of immigrant residents, a sector of society that is often neglected, or even explicitly excluded, in the social programmes of other regions with similar levels of immigration. Between 2004 and 2010, Emilia Romagna and Tuscany were two of the few regions that legislated in favour of the social integration of immigrants (Stuppini, 2011: 174). Caponio and Campomori (2013) have quantified the level of development of social policies targeted at immigrant groups by creating an index ranging from 0 (no development) to 5 (very strong development)[41]. Figure 4.5 highlights the fact that Emilia Romagna and Tuscany (but also other left-wing regions such as Umbria and Marche) have built systems of social inclusion for immigrants that are much better developed than those in place in other Italian regions with similar levels of immigrant population. For instance, Lombardy and the Veneto have paid very scarce attention to this issue and, so far, they have not approved any piece of specific legislation in favour of integration (Caponio and Campomori, 2013). South Tyrol, which has not been

[41] The index considers three aspects of immigration policies: institutional consolidation (financing and legislation), planning (level of detail of administrative procedures), and transparency (clear procedures for access to services and documents).

included in Caponio and Commodori's study, approved a law for the integration of immigrants only in late 2011. However, it should be noted that almost half of the beneficiaries of the basic income and housing benefit schemes introduced in the alpine region are extra-EU immigrants.

Figure 4.5. Level of development of social legislation for immigrants plotted against percentage of immigrant population



As shown in this section, Emilia Romagna has developed a welfare system that, in many respects, is similar to the Tuscan one. In its 2008-2010 Social Plan (*Piano Sociale e Sanitario*), the government of Emilia Romagna stated that the system of social protection of the region should be primarily based on a 'strong role of the public

sector'[42]. Yet, at the same time, the Plan strongly underlined the importance of the role played by the so-called Third Sector, which includes voluntary organisations, cooperatives and civil society organisations. This suggests that, due to region-specific factors, it is also possible to detect some differences in the administration of social programmes between Tuscany and Emilia Romagna. As underlined by Ciarini (2012: 113), although the regional government of Emilia Romagna has pursued goals of universalism, equality and integration of social services, which are similar to those of Tuscany, it has tried to develop a network of social relations that goes beyond the centrality of the public sector. Ciarini defines it as 'institutionalized polycentrism' in which non-profit and private organisations are also involved in social planning and delivery. Already in 1985, Emilia Romagna was one of the first regions that recognised the importance of cooperatives and voluntary organisations in the social assistance sector and established collaborative, rather than hierarchical, relations between the public sector and voluntary organisations. On the other hand, the legislation that Tuscany developed in the same years was much narrower and less open to cooperation with voluntary organisations that were privately funded (Ciarini, 2012: 113).

The participation of voluntary organisations and different levels of administration in social governance has been further encouraged by the governments of Emilia Romagna in recent years. For instance, in his programmatic statement, the former president of Emilia Romagna, Vasco Errani (2011: 75), declared that the Region would continue to develop integrated social programmes (which include both health and social care) following an inter-institutional model of governance (*modello interdisciplinare e interistituzionale*) and involving different social actors. Also in the recent electoral campaign, the Democratic Party, while restating the necessity

[42]Emilia Romagna, Piano Sociale e Sanitario 2008-2010, http://www.saluter.it/documentazione/leggi/regionali/delibere/delibera-dell2019assemblea-legislativa-n.-175-2008 (date of access 27/10/2014).

to strengthen services, which would be public, universal, and highly efficient, underlined the important social role played by the network of associations and voluntary organisations[43].

The success and persistence of 'institutionalized polycentrism' is probably due to the fact that, as shown in Table 4.1, the network of voluntary organisations and associations, which are privately funded, has traditionally been much more extended in Emilia Romagna than in Tuscany and in all other Italian regions (with the exception of South Tyrol). Yet, it should be underlined that in Emilia Romagna socially-oriented private organisations are not seen as a potential replacement for public intervention within a long-term project of welfare marketization (like in the Lombard case). In fact, they have been regarded as important actors contributing to the integration and expansion of a social protection network, which aims to become more and more inclusive, homogeneous, and universal.

[43] Centre-left Coalition, Emilia Romagna, *Lavoro Per L'Emilia, Programma per le Elezioni Regionali* http://www.stefanobonaccini.it/wp-content/uploads/2014/11/Bonaccini_Documento_programmatico1.pdf (date of access 8/11/2014).
'È necessario ripensare ed innovare il nostro welfare per conservarne il valore in una stagione di risorse economiche limitate, rafforzando gli strumenti del sistema pubblico, garanzia di universalità di accesso e di qualità dei servizi per e valorizzando in pieno le risorse della comunità. Una comunità forte, irrobustita dalla rete associazionistica e del volontariato, preziosi e insostituibili compagni di viaggio, con i quali consolidare un rapporto già forte.' (p. 20)

Table 4.1. Socially-oriented voluntary associations which are privately funded (per 100,000 inhabitants)

	Privately funded voluntary organisations per 100,000 inhabitants
South Tyrol/Bolzano	45.8
Emilia Romagna	17
Molise	15.6
Sardinia	15.3
Marche	13.5
Umbria	13.6
FVG	12.4
Liguria	11.3
Tuscany	11.3
Basilicata	10.9
Veneto	10.5
Piedmont	9.6
Aosta	7
Trento	6.8
Lombardy	6
Abruzzi	5
Campania	4.9
Calabria	4.6
Apulia	3.8
Latium	3.5
Sicily	1.6

Source: ISTAT http://sitis.istat.it/sitis/html/. Author's own calculation.

Conclusion

This chapter has sought to demonstrate that the Italian Left has played an important role in the construction of sub-state welfare governance. Being excluded from central government for many decades and having a regionally concentrated electoral base, the mainstream Left has acted as a *regionally focused* political force. Emilia Romagna and Tuscany can therefore be regarded as examples of regions with highly developed and distinctive welfare systems. They can be defined as models of *sub-state social democracy* characterised by elements of universalism, strong coordination

between regional and local authorities and centrality of the public sector. At the same time, the two regions show some differences in the relationship between private and public sectors, with Emilia Romagna being more open to forms of cooperation with non profit and private organisations.

Overall, it can be argued that in Italy there have been two alternative paths to regional welfare building. The first one has been dominated by territorial movements that have sought to strengthen regional solidarities through the development of distinctive models of social protection. The other path has been characterised by the mobilisation of left-wing parties that have viewed regions as the main arenas in which their policies could be promoted and implemented.

SPAIN

Chapter 5

Spain

Regional welfare building and the tensions between territorial and class mobilisations

Spain can be considered, together with Italy, as having a 'regionally framed' welfare system (Kazepov, 2010: 60). This means that regions play a central role in the elaboration and implementation of social policies. However, as in Italy, this has not always been the case. Until the late 1970s, when the Francoist dictatorship collapsed, regional authorities in Spain generally did not exist – or had only very limited powers. Only in the last three decades have the Autonomous Communities managed to obtain an increasing amount of responsibilities from the central government. This has not occurred homogeneously and institutional asymmetries have become an important feature of the decentralised Spanish system. Yet, unlike the Italian regions, the Spanish Autonomous Communities cannot be grouped into two well-defined categories since the process of devolution has been the outcome of bilateral interactions between regional governments and the central government. Generally, as underlined by Magone (2009: 194), the Spanish constitutional formula was very 'open-ended' and this allowed Spanish regions to play a much more active role in the devolution process than Italian regions. Moreover, unlike 'classic' federal systems, the Spanish institutional framework has 'weak mechanisms for multilateral negotiation and cooperation' (Colomer, 2007: 86). Therefore, powers have been devolved depending on the demands that individual regional governments have voiced in bilateral bargaining processes with Madrid (Musella, 2011: 26). These demands are likely to be stronger in those regions where the political mobilisation of territorial identity is higher. Table 5.1 shows the average level of regional autonomy enjoyed by each Autonomous Community in the 1980-2010 period as measured by the already mentioned Regional Authority Index elaborated by Hooghe et al. (2010).

Table 5.1. Level of Autonomy of Spanish Regions (1980–2010)

Region	RAI index
Basque Country	15.5
Navarre	14.3
Catalonia	13.9
Galicia	13.5
Andalusia	13.4
Asturias	13.3
Cantabria	13.3
Canary	13.1
Valencian Community	13.1
Castile Mancha	13.1
Aragon	13.1
Murcia	13.1
La Rioja	13.1
Extremadura	12.6
Madrid	12.6
Balearic Islands	12.6
Castile and Leon	12.6

Source: Hooghe et al. (2010). Author's own calculation.

As already pointed out in the case of the Italian regions, one of the consequences of 'meso-level' decentralisation is the emergence of cross-regional differentiation in the level of development of region-specific welfare systems. This is particularly true in a context in which central authorities are not fully able to coordinate and 'standardise' social protection. In the next section I show that in Spain, a tension between statewide welfare building and increasing territorialisation of social protection has existed since the collapse of the Francoist regime. This tension has also had an important influence on the role that political mobilisations of territorial identities and class solidarity have played in the construction of distinctive welfare systems at the regional level.

Transformations and territorialisation of the Spanish welfare state

In Spain, a centralised but very residual system of social protection was established during the 'Francoist' regime, particularly since the 1960s (Arriba and Moreno, 2005: 144–147), although a system of compulsory health insurance was already established in the 1940s. In particular, the Basic Law of Social Security approved in 1963 'consolidated previously fragmented corporatist schemes which, from 1967 [...] for the first time counted as public expenditure in National Accounts' (Castles, 2006: 54). In general, the system of social protection that developed during the Francoist era was mainly organised along corporatist lines, without any involvement of territorial institutions and actors (Guillén 1996).

This first phase of *fundamentación* was followed by periods of crisis, expansion and restructuring that started after the downfall of the dictatorship and have continued until recent years (Gallego, Gomà and Subirats, 2003b: 47). The establishment of a more advanced and extensive welfare system occurred between the late 1970s and the 1980s. This new phase of welfare building was still partly influenced by the corporatist legacy of the authoritarian period and followed a general path of development that was similar to that of other Southern European countries (Ferrera, 1996; Castles, 2006). García and Karakatsanis (2006) have underlined that the main characteristics of the Spanish welfare regime are the high levels of 'familism', that is, 'informal family-based strategies of welfare provision' (p. 102) and relatively high levels of functional fragmentation in social provision, with important dissimilarities among professional categories. This means that the Spanish welfare state developed as 'a system of occupation-related funds that finances social insurance and is supported primarily by employer and employee contributions' (p. 97). Yet functional fragmentation has also been accompanied by increasing *territorial*

fragmentation of social policies, especially social services such as health care and social care.

Indeed, it should be underlined that the Spanish welfare expansion in the 1970s and 1980s coincided with a process of radical decentralisation and strengthening of the Spanish Autonomous Communities. As underlined by Arriba and Moreno (2005: 147):

> [A] historical review of the reforms implemented in Spain since the inception of the democratic Constitution of 1978 has to acknowledge the fragmented and inductive nature of the reforms implemented during the transition to democracy. According to the Spanish *Charta Magna*, social assistance is a regional power of the 'exclusive competence' of the seventeen Autonomous Communities (Art. 148: 1.20). Powers concerning the basic legislation and the economic regime of the Social Security system remained in the hands of the central government. However, the […] Autonomous Communities […] could exercise executive powers in the running and managing of contributory programmes which could be decentralized to them (Art. 149: 117)

This is confirmed by Gallego and Subirats (2011: 100) who have argued that 'the evolution of welfare state in Spain has been, and still is, fully associated with the territorial distribution of power'. Moreover, the devolved nature of the Spanish health care system has also been linked to regional differences in health-related civil society and management practices and to the territorial dispersion of leading hospitals and health professionals (Costa-Font, 2013: 68).

It is therefore evident that, since the beginning of the new democratic regime, Spanish regions have played a central role in narrowing the gap between Spain and the rest of Western Europe in the expansion and consolidation of welfare programmes. Talking about the establishment of the Spanish National Health System, Del Castillo (2000: 255) has underlined that Spain and Canada are the only two countries in the world in which the process of the construction of a *universal* health care organisation began after the creation of a quasi-federal state organisation.

The centrality of the regions as drivers of welfare development is even more evident than in the Italian case where, until the early 1990s, the central government and municipalities, rather than the regions, were the two keystones of social protection (Sacchi and Bastagli, 2005: 86). In Spain the increase in regional power has been much more sudden than in Italy, which, instead, has undergone a more gradual process of regionalisation (although today both Italian and Spanish regions enjoy similar levels of institutional autonomy).

Gallego and Subirats (2012) provide a very clear picture of what social governance looks like in contemporary Spain. Over thirty years of regionalisation have meant that:

> [A]s a result of power transfers, the newly created ACs have enjoyed major capacities in the formulation and implementation of welfare policies. Although in most policy matters the legislation passed by ACs is required to fit within the framework of state regulations, state regulations have not always predated the policy initiatives of some ACs, such as in the case of health care. In some cases, such as social services, state regulations have hardly emerged at all, and AC policy initiatives have developed without a general compelling framework. (Gallego and Subirats, 2012: 271).

In sum, as in the case of Italy, health care and social assistance have been the two policy domains in which Spanish regional governments have been given the opportunity to play the most important role as financiers, legislators/regulators and administrators/providers (Bergmark and Minas, 2010: 243). However, as I show in the next section, the level of *activism* in the three key dimensions of welfare development has varied considerably across the Autonomous Communities.

When regions become arenas of 'new welfare building': measuring territorial differences in Spain

The aim of this chapter is to quantitatively assess and explain cross-regional differences in the level of development of region-specific policies in the field of health care and social assistance. Also in the case of Spain the three dimensions that are considered to measure the strength of regional welfare models are *spending*, *legislation*, and *implementation.* The data used for the Spanish regions are similar but not identical to those used for the Italian regions. This is due to the fact that regions are embedded in a 'national context' and the policies on which they diverge may change from country to country. For instance, among the indicators of effective implementation of social policies in Spanish regions I have included differences in basic income coverage. Basic income (*renta mínima*) is an important social assistance policy developed by the Autonomous Communities but is almost totally absent in Italy (with some exceptions presented in the previous chapters). In addition, indicators of legislation and effective implementation are often provided by scholars focusing on regions of a single country and therefore are rarely homogeneous across different countries. Yet this is not a serious problem and does not undermine the validity of my findings since this study tries to assess and explain 'within country' cross-regional variation. So, provided that the social policies of regions belonging to the same country are assessed with consistent indicators, it is still possible to compare them to each other in an objective way. Finally, the strength of this study is that it does not only rely on quantitative analysis but also includes more in-depth analyses of how regionalist or centre-left parties promote social policies in specific regional contexts (see next chapters).

Spending

In order to measure the level of sub-national spending in health care and social assistance I rely on data provided by the Health care Ministry and by García Herrero and Navarro (2012). In Table 5.2 it can be seen that the three most 'generous' Autonomous Communities are the Basque Country, Navarre and La Rioja. On the contrary, per capita spending levels are lowest in Madrid, the Valencian Community, and the Balearic Islands. These data seem to suggest that the differences are quite substantial since, in total, the last region in the ranking spends almost half as much as the per capita amount spent by the top Autonomous Community (see 0–1 score in the table).

Table 5.2. Per capita social spending in the Spanish Autonomous Communities[44] (with a focus on health care and social assistance)

Regions	Health care	Social Assistance	Total	0–1 score
Basque Country	1311	773	2084	**1**
Navarre	1336	488	1824	**0.88**
La Rioja	1353	360	1713	**0.82**
Extremadura	1279	354	1633	**0.78**
Castile La Mancha	1141	468	1609	**0.77**
Asturias	1270	298	1568	**0.75**
Aragon	1265	268	1533	**0.74**
Cantabria	1220	370	1590	**0.76**
Castile and Leon	1203	300	1503	**0.72**
Galicia	1161	256	1417	**0.68**
Catalonia	1116	300	1416	**0.68**
Murcia	1139	230	1369	**0.66**
Canary Islands	1128	156	1284	**0.62**
Andalusia	1002	279	1281	**0.61**
Madrid	984	207	1191	**0.57**
Valencian Community	1046	130	1176	**0.56**
Balearic Islands	1022	120	1142	**0.55**

Sources: Ministerio De Sanidad, Servicios Sociales e Igualdad http://www.msssi.gob.es/ (average spending from 2002 to 2011); García Herrero and Navarro (2012).

Legislation/Regulation/Planning

Gallego and Subirats (2011; 2012) provide a three-dimensional analysis of social policies, which is very similar to the one suggested in this paper. One of these dimensions is called the 'symbolic dimension' and refers to the degree of differentiation/innovation in the normative dimension of regional social policies. In the case of health care and social policy Gallego and Subirats took 'into account the pace and scope of legal acknowledgement of new health rights' and the timing of social service legislation and reform. The symbolic dimension is ranked on a three-

[44] The data mainly refer to average spending in the 2000s. Comparable spending figures from previous years are not available. However, it can be assumed that, due to *path dependency*, spending patterns in the first decade of the 2000s were strongly influenced by spending patterns in the previous decades.

fold scale of regional (positive) differentiation that ranks from 'low differentiation' to 'high differentiation'. I have translated this scale into a score ranging from 1 ('low differentiation') to 3 ('high differentiation). Regional scores are provided in Table 3. We can see that the four regions at the forefront of social legislation are the Basque Country, Catalonia, Navarre and Galicia. On the other hand, La Rioja has low scores in the legislation of both health care and social assistance. Also in this case, total scores have been rescaled to a 0–1 range.

Table 5.3. Social legislation of Spanish Autonomous Communities

	Health care	Social Assistance	Total	0-1 index
Basque Country	3	3	6	**1**
Catalonia	3	3	6	**1**
Navarre	3	3	6	**1**
Galicia	3	3	6	**1**
Castile and Leon	2	2	4	**0.67**
Madrid	1	3	4	**0.67**
Cantabria	2	2	4	**0.67**
Andalusia	2	2	4	**0.67**
Canary	1	2	3	**0.5**
Castile Mancha	1	2	3	**0.5**
Valencian Community	2	1	3	**0.5**
Murcia	1	2	3	**0.5**
Extremad.	1	2	3	**0.5**
Balearic Islands	2	1	3	**0.5**
Aragon	2	1	3	**0.5**
Asturias	1	2	3	**0.5**
La Rioja	1	1	2	**0.33**

Source: Gallego Subirats (2012). Author's own calculations.

Effective implementation

The final step of this preliminary analysis includes an assessment of the level of effective implementation and administration of social services in the Autonomous Communities. To do this, I considered a broad range of indicators. As in the case of

Italy, I use Eurostat data that indicate the average number of hospital beds and long-term care places per 100,000 inhabitants over the period from 2003 to 2009. Additionally, I include data collected by García Herrero and Navarro (2012) regarding the efficiency and coverage of services for old people, family, and the poor and basic income provisions. Finally, I also include the 'operative dimension' of health care and social care described by Gallego and Subirats. This dimension considers 'all aspects associated with implementation, including management instruments, and the level of involvement of different agents in the provision of services' (Gallego and Subirats, 2012: 276). Given the large number of indicators, Table 5.4 only shows their values rescaled to the 0–1 range and not their original values (see appendix for original values and their meaning). Again the final sum of all these indicators is in turn rescaled to a 0–1 range to make it comparable to the other two dimensions.

Overall, Catalonia, Castile and Leon, the Basque Country and Navarre are the four best performing regions on this dimension, while Galicia, Castile Mancha, the Canary Islands and Murcia are the regions with the lowest overall scores. In particular, the implementation of social and health care services in Murcia is almost half as effective as in Catalonia.

Table 5.4. The implementation and coverage of social and health care services in Spanish Autonomous Communities.

	Hospitals	Long-term care	Elderly care	Family and children	Poverty	Basic Income	'Operational dimension' Health care	'Operational dimension' Social Assis.	Total	**0-1 score**
Catalonia	1	0.77	0.59	0.77	0.61	0.79	1	0.67	6.2	**1**
Castile and Leon	0.89	1	0.83	0.72	0.79	0.59	0.67	0.67	6.16	**1**
Basque Country	0.86	0.33	0.64	0.48	1	1	0.67	1	5.98	**0.97**
Navarre	0.88	0.49	0.61	0.81	0.72	0.7	0.33	1	5.54	**0.89**
La Rioja	0.72	0.32	0.7	0.86	0.92	0.86	0.33	0.67	5.38	**0.87**
Madrid	0.72	0.29	0.83	0.89	0.5	0.47	1	0.67	5.37	**0.87**
Aragon	0.91	0.41	0.76	0.55	0.76	0.46	0.33	1	5.18	**0.84**
Asturias	0.82	0.26	0.58	0.81	0.59	0.64	0.67	0.67	5.04	**0.81**
Cantabria	0.85	0.55	0.55	0.69	0.8	0.36	0.33	0.67	4.8	**0.78**
Valencian Community	0.58	0.49	0.39	0.9	0.37	0.38	1	0.67	4.78	**0.77**
Extremadura	0.8	0.44	0.97	0.7	0.5	0.29	0.33	0.67	4.7	**0.76**
Andalusia	0.59	0.24	0.44	0.76	0.69	0.51	0.67	0.67	4.57	**0.74**
Balearic Islands	0.78	0.25	0.46	0.77	0.58	0.38	1	0.33	4.55	**0.74**
Galicia	0.82	0.32	0.31	0.93	0.65	0.43	0.67	0.33	4.47	**0.72**
Castile Mancha	0.6	0.64	1	0.75	0.25	0.23	0.33	0.67	4.47	**0.72**
Canary Islands	0.87	0.23	0.4	0.72	0.45	0.57	0.67	0.33	4.24	**0.68**
Murcia	0.71	0.13	0.31	1	0.56	0.3	0.33	0.33	3.67	**0.59**

Sources: see appendix

Measuring the strength of regional welfare models

We now have all the information we need to measure the level of development of regional welfare regimes in the Spanish Autonomous Communities. The correlation matrix below (Table 5) shows that the associations between the three dimensions of welfare development are positive but even less strong than in the Italian case, thus suggesting that adding them might not be the best strategy since they measure three different aspects of welfare development that are not necessarily linked.

Table 5.5. Correlation matrix including the three dimensions of welfare development: Spending, Legislation, Implementation (Number of cases= 17 Autonomous Communities)

	Spending	Legislation	Implementation
Spending	1.0000		
Legislation	0.3303	1.0000	
Implementation	0.4334	0.4686	1.0000

By multiplying the three key dimensions, we obtain an overall score of 'welfare strength', which tells us to what extent a certain region has been an arena of welfare building in the last decades. The results included in Table 5.6 show considerable variation across the Spanish regions. The Basque Country, Navarre, Catalonia and Galicia seem to have been the four Communities that have been more active in the establishment of regional social programmes. Particularly the first three regions score consistently high across the three dimensions. On the contrary, the Valencian Community, Canary Islands, Balearic Islands, and Murcia score quite low on all three dimensions – hence the low position in the general ranking.

Table 5.6. Applying the multiplicative index to Spanish Autonomous Communities: measuring the level of development of regional welfare systems (with a focus on health care and social assistance).

Region	Spending	Legislation	Implementation	**Multiplicative score**
Basque Country	1	1	0.97	**0.97**
Navarre	0.88	1	0.89	**0.78**
Catalonia	0.68	1	1	**0.68**
Galicia	0.68	1	0.72	**0.49**
Castile and Leon	0.72	0.67	1	**0.48**
Cantabria	0.76	0.67	0.78	**0.4**
Madrid	0.57	0.67	0.87	**0.33**
Aragon	0.74	0.5	0.84	**0.31**
Asturias	0.75	0.5	0.81	**0.3**
Andalusia	0.61	0.67	0.74	**0.3**
Extremadura	0.78	0.5	0.76	**0.3**
Castile Mancha	0.77	0.5	0.72	**0.28**
La Rioja	0.82	0.33	0.87	**0.24**
Valencian Community	0.56	0.5	0.77	**0.22**
Canary Islands	0.62	0.5	0.68	**0.21**
Balearic Islands	0.55	0.5	0.74	**0.2**
Murcia	0.66	0.5	0.59	**0.19**

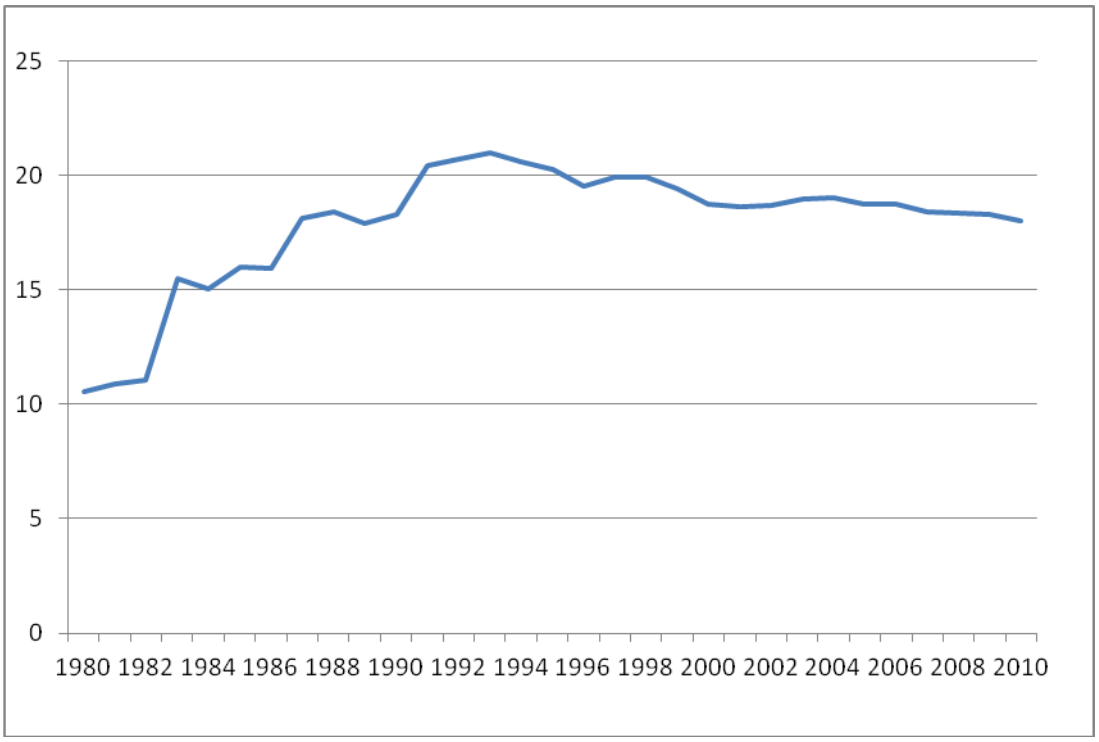
In the next sections I try to explain such variation by referring to the saliency of the centre-periphery cleavage and to the level of strength of centre-left parties within each region.

Territorial mobilisation in Spain

Since the transition to democracy in the late 1970s, territorial mobilisation has been a very important political phenomenon in Spain (Padró-Solanet 1996; Magone, 2009: 194–259). Whereas in Italy regionalist parties became important political actors in the

1990s and further strengthened in the 2000s, in Spain the rise of territorial politics occurred much earlier and had already reached its peak in the early 1990s. Figure 5.1 shows the average share of seats controlled by regionalist parties in the 17 Autonomous Communities from 1980 to 2010. What can be noted is that during the 1980s the representation of regionalist parties in regional councils more than doubled and reached the maximum of 21% in 1994. In the following years that percentage has remained rather stable around 18-20%.

Figure 5.1. Average share (%) of regional council seats controlled by regionalist parties in the 17 Autonomous Communities (1980 – 2010)[45]



Source: http://www.parties-and-elections.eu. Author's own calculation.

[45] In the 1980-1982 period, regional councils existed only in Catalonia, Basque Country, Galicia and Navarre.

Table 5.7 shows that the political spectrums of the Basque Country, Catalonia and Navarre have been dominated by regionalist parties that, on average, have obtained more than 60 per cent of the regional representation. In the Canary Islands territorial mobilisation increased substantially in the 1990s and 2000s. The same can be said in the case of Cantabria, whereas in Aragon the strength of the regionalist movement has been constantly above 20 per cent. Territorial mobilisation has also been quite important in Galicia and has strengthened in more recent years. On the other hand, regionalist parties have been quite weak in La Rioja, Extremadura, Andalusia, Valencia and Asturias and totally failed to emerge in Madrid (unsurprisingly), Castile and Leon, Castile La Mancha and Murcia.

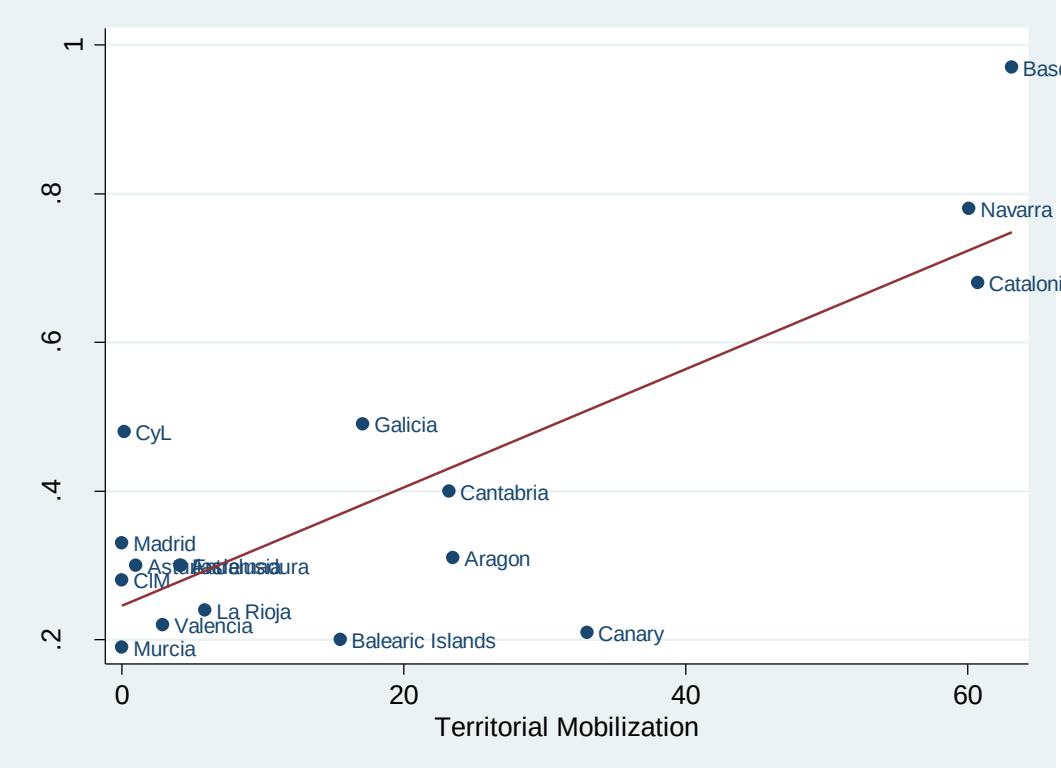
Table 5.7. The political strength of regionalist parties from 1980 to 2010 (% of council seats controlled by regionalist parties). Averages by region.

	1980s	1990s	2000s	Average 1980-2010
Basque Country	68.7	66.7	54.9	63.1
Catalonia	61.9	63.4	57.1	60.7
Navarre	46.9	61.2	71	60.1
Canary Islands	20.5	37.3	39	33
Aragon	23.3	24.8	22.4	23.5
Cantabria	6.3	33.6	22.9	23.2
Galicia	13.2	17.7	19.6	17.1
Balearic Islands	18.5	15.6	13.6	15.5
La Rioja	5.8	6	6	5.9
Extremadura	9.2	1.5	3.5	4.2
Andalusia	1.9	5.5	4	4.1
Valencia	2.9	6.1	0	2.9
Asturias	0	0.7	1.8	1
Castile and Leon	0.7	0	0	0.2
Madrid	0	0	0	0
Castile Mancha	0	0	0	0
Murcia	0	0	0	0
Average	**16.4**	**20**	**18.7**	**18.5**

Source: http://www.parties-and-elections.eu. Author's own calculation.

Given this rather fragmented and heterogeneous picture, it would be interesting to see to what extent territorial mobilisation has favoured the promotion of region-specific models of welfare governance that are less dependent on inputs from central government. A preliminary analysis suggests that the Basque Country, Catalonia and Navarre are the three Autonomous Communities having, at the same time, the highest levels of welfare development and the strongest regionalist parties (Figure 5.2). The coefficient of correlation between the two variables is 0.81.

Figure 5.2. Correlation between territorial mobilisation and development of regional welfare



Left-wing mobilisation in Spain

Since the transition to democracy, the Spanish Socialist Workers' Party (*Partido Socialista Obrero Español,* PSOE) has been by far the strongest party of the Spanish left (Magone, 2009: 157–164), controlling between 80 and 90 per cent of left-wing electorate. The only statewide left-wing alternative to the PSOE has been United Left (*Izquierda Unida,* IU), which, however, gained electoral relevance only in the 1990s and only once it got more than 10 per cent of the vote in statewide elections (Ibid.: 164–167). There are also some regionalist parties, such as Republican Left (ER), Galician Nationalist Bloc (BNG), Andalusian Party (PA) and Basque Solidarity (EA), which have combined a focus on territorial mobilisation with some left-wing, socialist political ideals (Elias, 2009; Massetti, 2011;). However, as I will also show in

the next chapter, these regionalist parties have seldom been electorally relevant even in their own regions and territorial mobilisation has mainly been dominated by centre or centre-right parties, the strongest ones being the Catalan Convergence and Union (CiU) and Basque Nationalist Party (PNV).

Another important point that should be made is that the largest party of the left has also been the dominant party in Spanish Politics for many years, controlling central government from 1982 to 1996 (Méndez Lago, 2007). These were crucial years for Spain, which was fully involved in processes of economic expansion and internationalisation, European integration and welfare building and restructuring. The PSOE therefore was in a very privileged position in this new and dynamic context and could link economic and social policies to the construction of a new Spanish identity in the post-Franco era. Additionally, the almost unchallenged leader of the party during these years was the Spanish Prime Minister Felipe González, who was able to exert strong control on the formally federal organisation of the party. As underlined by Méndez Lago, particularly in the late 1970s and during the 1980s, the organisational strategy of the party:

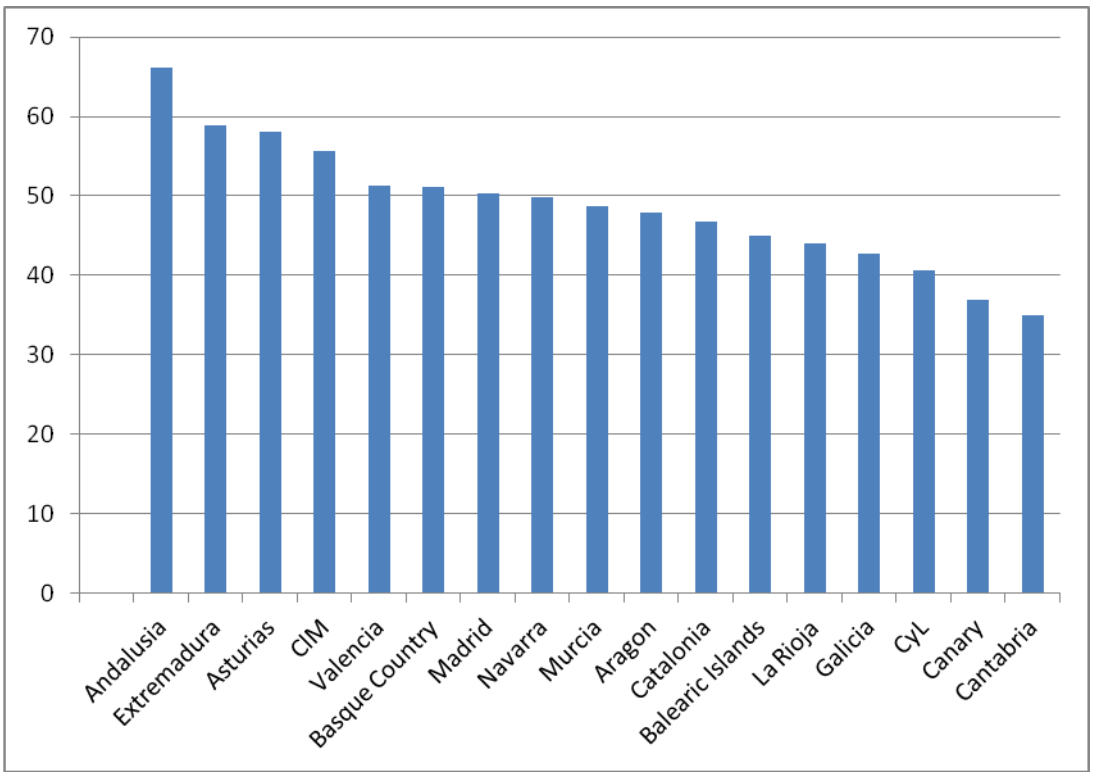
> [W]as based on three pillars: the leadership of Felipe González, the intense concentration of power in the hands of the party leaders, González himself and Alfonso Guerra, and the maintenance of a high degree of internal cohesion. (Méndez Lago, 2007: 90)

Only in the late 1990s, when the party lost control of the national government, did the centralised structure of the PSOE start to be challenged by regional leaders (Ibid.: 94). In 2004, the party returned to power and, although it was very difficult to recentralise the organisational structure of the party, the statewide leadership could again rely on statewide political and economic resources as an incentive to coordinate contrasting territorial interests within the party.

Lastly, unlike the Italian left, the Spanish Left has been an important political force in almost all Spanish regions. Indeed, in the early years of decentralisation

(1980s and early 1990s), the PSOE was the largest and unchallenged party in the majority of autonomous communities. However, Figure 5.3 suggests that in the longer period from 1980 to 2010, the Left has clearly played a dominant role in a much more limited number of regions such as Andalusia, Extremadura, Asturias and Castile La Mancha.

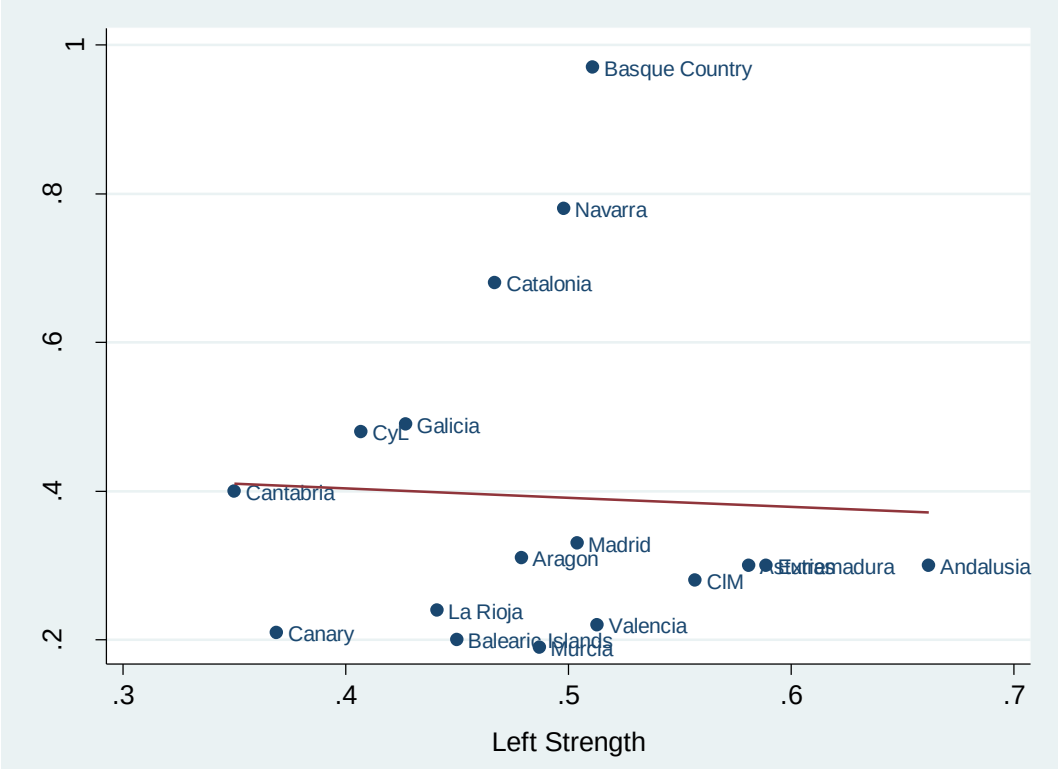
Figure 5.3. The strength of centre-left parties in the Spanish Autonomous Communities (average percentage of regional parliamentary seats controlled by centre-left parties in the 1980-2010 period)



In sum, given its dominance in national politics, the mainstream Spanish Left may have been very active in establishing statewide social policies or promoting regional developmental policies coordinated and controlled by the central government. This, however, also means that the Spanish Left may have tried to limit the emergence of

'strong' models of regional welfare that could compete with statewide welfare programmes and threaten uniformity in the provision of social services. Figure 5.4 shows that the correlation between left-wing mobilisation and regional welfare development is indeed slightly negative. Yet one may argue that the regions in which the Spanish Left has been traditionally strong – Andalusia, Castile La Mancha, Asturias and Extremadura – are among the poorest. A multivariate regression analysis that takes into account cross-regional differences in socio-economic development is therefore performed in the next section, in order to confirm the weak effect of left-wing mobilisation on the establishment of region-specific welfare models.

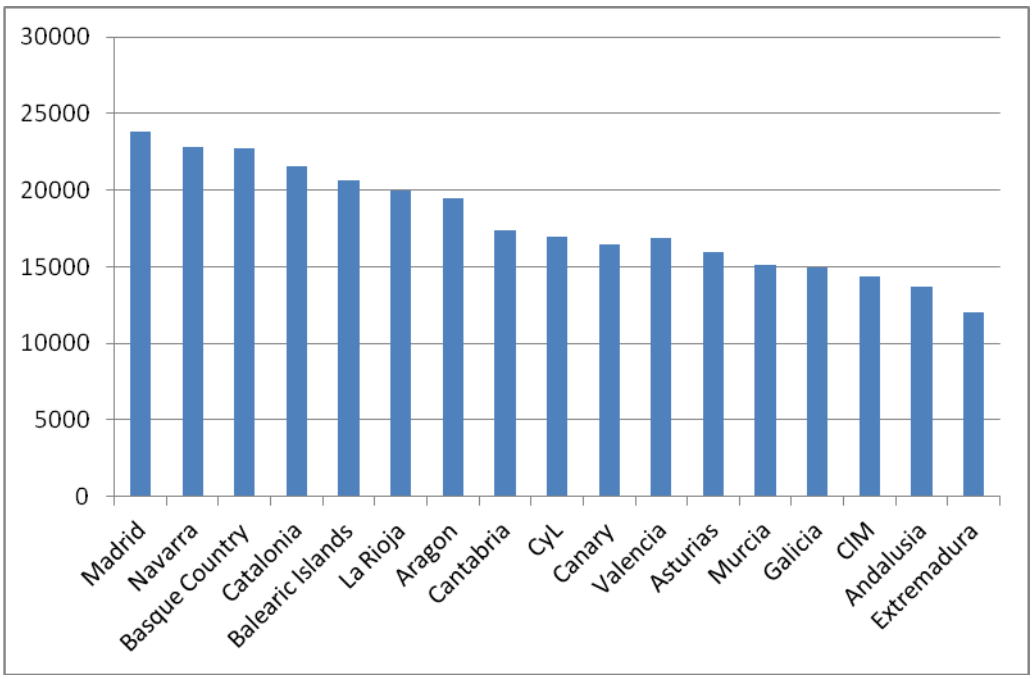
Figure 5.4. Correlation between left-wing mobilisation and welfare development in Spanish Autonomous Communities



Background variables: socio-economic development, ageing (demographic vulnerability), female employment and population size

Other factors should be taken into account when trying to explain cross-regional differences in the establishment of region-specific welfare models. As in the case of the Italian regions, different levels of socio-economic development may have contributed to widening the gap between rich and poor regions, the latter being less able to invest resources in social programmes than the former. GDP per capita can provide important information on cross-regional inequalities that may affect social governance. At the same time, data on social capital of Spanish regions are not as easy to find as in the case of Italian regions, given the lack of any research project on Spain that is as extensive as Putnam's research on Italy. However, as shown in the Italian case, there are no substantial differences in final results between a model using a composite measure of development that also includes social capital indicators and another model that just uses economic development (per capita GDP) as a proxy of socio-economic development. Therefore, assuming that also in this case there is a strong correlation between economic development and social capital (here we are not interested in what causes what), I use per capita GDP as a proxy of socio-economic development. Figure 5.5 shows differences across the Autonomous Communities. Madrid, Navarre, Basque Country and Catalonia are the four wealthiest Autonomous Communities whereas Extremadura, Andalusia, Castile La Mancha and Galicia are the least economically developed. This territorial inequality in per capita income and the significant divide between North-Eastern (plus Madrid) and Southern regions are confirmed by several academic studies (for instance, Goerlich and Mas 2001).

Figure 5.5. Economic development (per capita GDP in euros) in Spanish Autonomous Communities (average from 1995 to 2010)



Source: Eurostat. Author's own calculation.

The next variable that I take into account is the level of population ageing of the Autonomous Communities. Health care and social assistance for vulnerable people form the core of regional welfare systems, one may expect that Autonomous Communities with an ageing population have paid more attention to social policy than other Communities and this may explain some of the variation we have found in this chapter. Table 5.8 shows the average share of people aged 65 and above in each autonomous community in the last two decades. We can see that Castile and Leon is the Autonomous Community with the oldest population and its measure of demographic vulnerability is much higher (almost ten percentage points) than that of the Canary Islands, which are placed at the bottom of the ranking.

Table 5.8. Ageing (indicator of demographic vulnerability) in Spanish Autonomous Communities (1990s and 2000s average)

Autonomous Communities	% of people aged 65 and above
Castile Leon	22.2
Asturias	22.14
Galicia	22.06
Aragon	20.23
Basque Country	19.1
Extremadura	18.88
La Rioja	18.83
Cantabria	18.76
Castile Mancha	17.71
Navarra	17.6
Catalonia	17
Valencia	16.37
Madrid	15.39
Andalusia	14.94
Balearic Islands	14.04
Murcia	13.68
Canary	13.34

Source: Eurostat. Author's own calculation.

As in the case of Italian regions, one should also take into account different levels of female employment across Autonomous Communities. Indeed, together with ageing, this variable may highlight territorial differences in the demand for social services. We can see that women's participation in the job market (Eurostat data referring to various years) is highest in Catalonia, Balearic Islands and Madrid and lowest in Castile and Leon, Andalusia and Extremadura (Table 5.9).

Table 5.9. Percentage of women aged between 15 and 64, who are employed (average 1999–2014)

Autonomous Communities	Female Employment (%)
Catalonia	56.9
Balearic Islands	56.9
Madrid	56.7
Navarra	55.7
Basque Country	53.8
Aragon	53
La Rioja	52
Galicia	50.7
Valencia	49.3
Cantabria	48.4
Castile Mancha	47.4
Murcia	46.4
Canary	46
Asturias	45.3
Castile Leon	42.7
Andalusia	39.2
Extremadura	38.6

Source: Eurostat. Author's own calculation.

Lastly, I consider cross-regional differences in population size, which, as shown in Table 5.10, are quite considerable. Andalusia, the most populous region, has more than 8 million inhabitants whereas La Rioja has around 300,000.

Table 5.10. Population size in Spanish Autonomous Communities (millions of inhabitants)

Autonomous Communities	Population (mln)
Andalusia	8.4
Catalonia	7.5
Madrid	6.4
Valencia	5
Galicia	2.8
Castile Leon	2.5
Basque Country	2.2
Canary Islands	2.1
Castile Mancha	2.1
Murcia	1.5
Aragon	1.2
Asturias	1.1
Extremadura	1.1
Balearic Islands	0.8
Navarra	0.6
Cantabria	0.6
La Rioja	0.3

Source: Eurostat

Building the multivariate model

In this section I look at all the variables mentioned in the previous sections and I consider them in relation to the development of regional welfare regimes, measured by the three dimensional index including spending, legislation/planning and effective implementation. As in the case of Italy, I also include in the model the 'institutional asymmetries' variable (measured by the RAI index presented at the beginning of this chapter). This may help us to understand whether the impact of territorial mobilisation on welfare building is mainly direct, or also indirect through the establishment of 'special statutes' for some regions (Hypotheses 1, 2 and 3).

The results of the multivariate regression model are indicated in Table 5.1. Also in this case I use standardised coefficients in order to gain a better idea of how strongly each variable is associated with sub-national welfare development regardless of its unit of measurement.

Table 5.11. The determinants of welfare development (health care and social assistance) in the Spanish Autonomous Communities.

	Standardised coefficient (β)
Territorial mobilisation	.44
Left-wing mobilisation	-.007
Institutional asymmetries	.38
Socio-economic development (per capita GDP)	.35
Population ageing	.36
Female employment	-.22
Population size	.15
N	17
R-squared	0.88

As in the case of Italy, territorial mobilisation has the highest coefficient (.44) and this seems to confirm the hypothesis that in Spain too the centre-periphery cleavage significantly shapes the politics of welfare. Thus the strength of regionalist parties has had a *direct* effect on the development of regional welfare models in Spain. However, in Spain it seems that asymmetries in institutional autonomy also play an important role in explaining cross-regional variation (standardised coefficient=.38). This is partly due to the fact that such asymmetries result from the demands for

higher autonomy expressed by territorial movements. Indeed, the correlation between territorial mobilisation and institutional asymmetries is around .80 (in the case of Italy this correlation was much lower, at around .60), meaning that there might be a spurious relationship between these variables and the dependent variable (Figure 5.6).

Figure 5.6. Correlation between institutional autonomy and territorial mobilisation

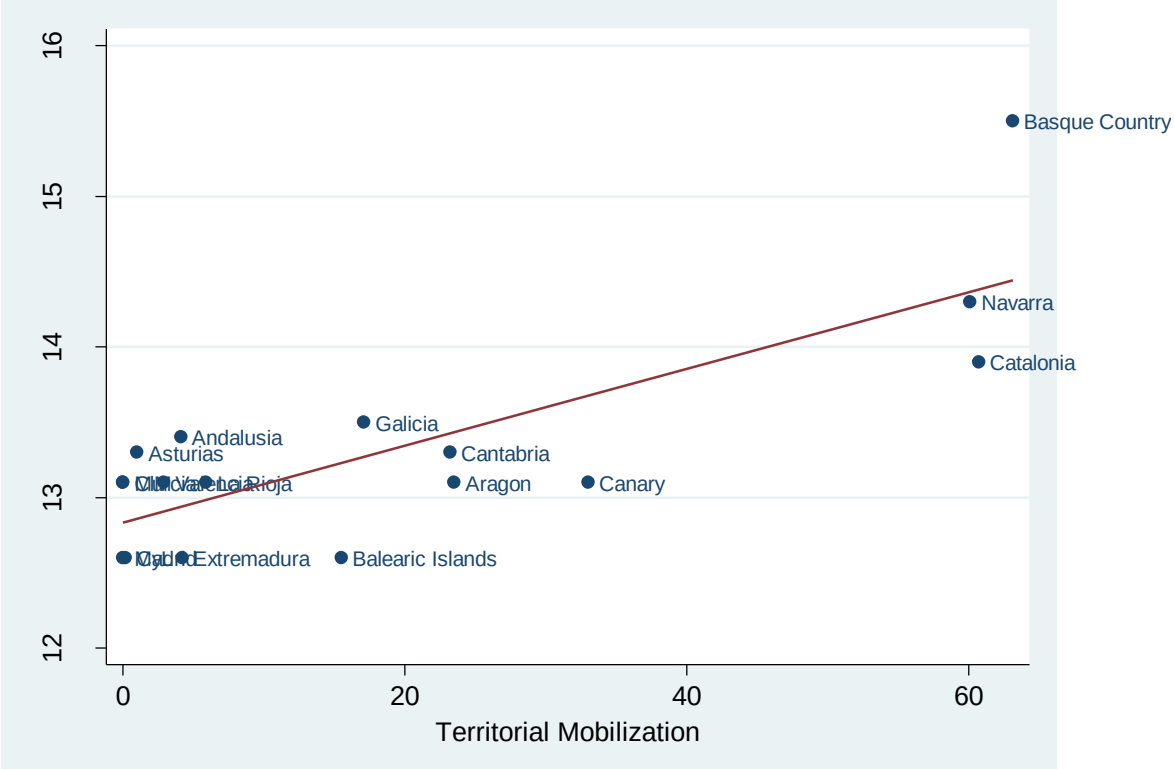
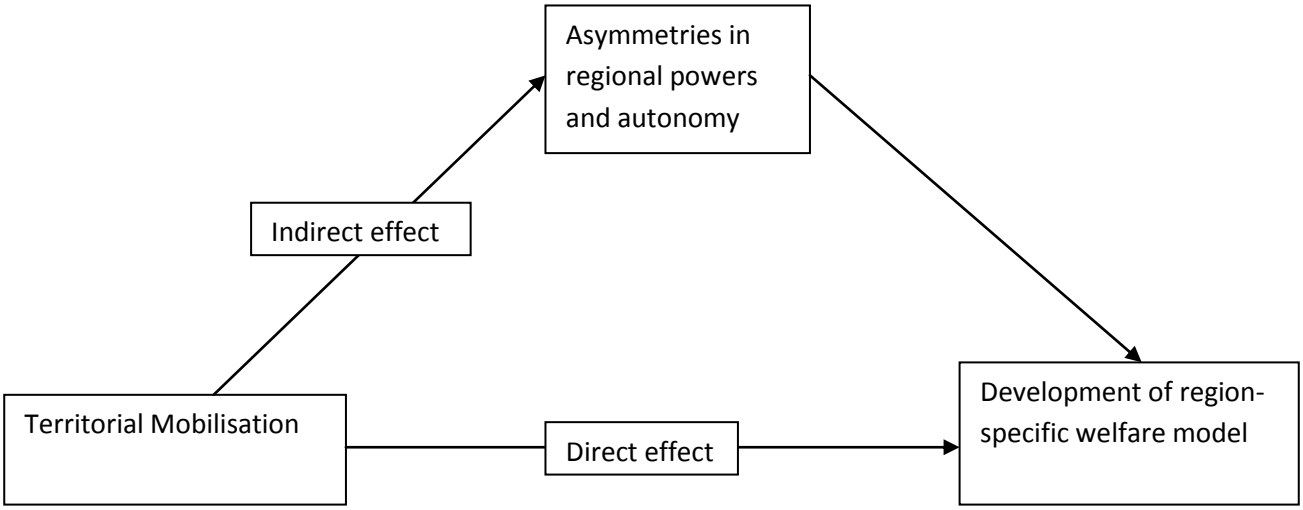


Figure 5.7 illustrates that the territorial mobilisation variable may be directly linked to both institutional asymmetries and welfare development. In a context of moderate constitutional flexibility like the Spanish one, regional elites representing (or influenced by) territorial movements can more easily obtain additional powers for individual regions (Musella, 2011: 26), which are thus given more institutional opportunities than other regions to develop their own social policies.

Yet asymmetries do not fully reflect differences in territorial mobilisation, since in the 1980s regional governments were also created and empowered in regions where regionalist movements and parties were completely absent. As I show in the following chapters, the creation and strengthening of the Autonomous Communities across the whole Spanish territory was a strategy adopted by the Socialist-led central government to balance the centrifugal tendencies of Autonomous Communities such as Catalonia and the Basque Country, where territorial mobilisation was very strong. Over the years, processes of 're-symmetrization' of power across all the 17 Autonomous Communities have also been promoted by the central government, which, by empowering 'ordinary' regions, has sought to diminish the peculiarity and distinctiveness of the 'special' regions (Màiz and Losada, 2011). As a result of this, the powers of the regional government of Catalonia are only slightly greater than those of regions like Castile and Leon or Murcia, where the saliency of the centre-periphery cleavage is extremely weak. This explains why the positive effect of territorial mobilisation on welfare development does not fully occur through institutional asymmetries (indirect effect) but is also significant if we keep such institutional asymmetries constant in the multivariate model (direct effect).

Figure 5.7. The direct and indirect effects of territorial mobilisation on welfare development in the Spanish Autonomous Communities



The second political variable considered in the model is the strength of left-wing and centre-left parties. It is striking to see that this variable has the smallest coefficient in the multivariate model (-.007), suggesting that, holding all other relevant variables constant, the effect of left-wing mobilisation on the development of regional welfare models is very weak. This does not necessarily mean that centre-left parties have not paid attention to social policies. As previously mentioned, the largest party of the left, the PSOE, controlled the central government for most of the post-Franco period and, therefore, it may have tended to focus more on the creation of statewide social protection and to oppose excessive welfare activism of regional governments that could undermine cross-regional uniformity and coordination. Although some, rather small, regionalist parties, such as the BNG and ERC, position themselves more closely to the left of the political spectrum, it should be added that the correlation between territorial mobilisation and the strength of left-wing parties is negative, with a coefficient of -.25. This negative coefficient is lower than in the Italian case (-.69) but still indicates a certain 'tension' between left-wing and territorial mobilisations in Spain. However, whereas in Italy regions have been the main policy-making arena

for centre-left political forces for many years, in Spain the main social-democratic party has occupied a very privileged position in statewide decision-making processes. Given its weak role in central government, the Italian Left has acted as a 'regionally' focused political force despite not deriving its political strength from the mobilisation of the centre-periphery cleavage and not representing any regional minority. On the other hand, the PSOE has been able to control and distribute resources from central government, thus attaching less importance to regions, which have been seen as a 'second-order' level of policymaking.

The results are confirmed in the more parsimonious model including the three most important determinants of welfare development (Table 5.12). Unlike in Italy, where left-wing mobilisation was also included in this group, in the case of Spain only territorial mobilisation, together with institutional asymmetries and ageing, seem to play an important role in the politics of sub-state welfare.

Table 5.12. Parsimonious model including the three most important independent variables

	Standardised coefficients (β)
Territorial mobilisation	.47
Institutional asymmetries	.44
Ageing	.28
N	21
R-squared	0.85

Conclusions

This chapter has provided some preliminary evidence of the role played by regionalist and left-wing parties in the development of region-specific models of welfare. The 'strength' of regional welfare models has been measured on the basis of a three-dimensional index including spending, legislation, and implementation

indicators. This measure of welfare strength has then been used in an exploratory quantitative analysis, which suggests that territorial mobilisation has had an important positive effect on regional welfare building. Such effect has been both direct and indirect. Indeed it has been underlined that, given the moderate flexibility of constitutional arrangements in Spain, regions characterised by high levels of territorial mobilisation have had the chance to obtain special autonomy by participating in bilateral bargaining with central authorities. However, the latter have also tried to promote processes of 're-symmetrization' by empowering also 'ordinary' regions. In this context the 'direct' positive effect of territorial mobilisation, holding institutional asymmetries constant, has also been important in regional welfare politics.

On the other hand, the Left, and particularly its main party, the PSOE, does not seem to have encouraged the development of regional welfare policies that are 'disconnected' from central control and coordination. This may be explained by the fact that the PSOE has been the dominant party in central government for most of the post-Franco period. Thus, whilst promoting the development of statewide social protection and programmes of regional redistribution, the largest centre-left party of Spain has generally been hostile to the emergence of strong models of welfare at the regional level that may produce excessive territorial fragmentation of social citizenship.

In the next two chapters I provide more detailed, 'qualitative' evidence of the impact that both territorial and left-wing mobilisations have had on welfare politics is Spain in the last 30 years. Each chapter focuses on one type of mobilisation and refers to some specific regional cases.

Appendix. Indicators used for the implementation/coverage dimension

1. Hospital Beds/Long Term Care/Elderly Care/Children[46]

	Hospital places/100,000 inhabitants	Long Term places/100,000 inhabitants	Elderly		Family, Children
			% elderly in residential care	Index coverage homecare for elderly	% of Foster Care
Andalusia	262.6	187.3	2.8	3.92	60.5
Aragon	401.8	314.4	6.8	4.32	43.7
Asturias	363.3	201.9	4.3	4.55	64.5
Balearic Islands	346.3	192.2	3.6	3.25	61.3
Canary Islands	386.2	176.1	2.6	3.52	56.7
Cantabria	376.7	425.4	4.6	3.56	54.4
Castile and Leon	395.2	769.8	7.3	4.84	56.8
Castile La Mancha	267.3	494.8	7.4	7.76	59.3
Catalonia	442.6	590.2	4.2	4.77	61.2
Valencian Community	258.2	379.7	3.1	2.74	71.4
Extremadura	355.8	339.4	5.4	9.9	55.2
Galicia	361.8	243.1	2.8	1.66	73.8
Madrid	320.4	225.5	4.9	7.97	70.9
Murcia	314.5	97.8	2.3	2.42	79.3
Navarre	388.8	378.4	5.5	3.42	64.1
Basque Country	382.2	254.8	4.4	5.45	38.2
La Rioja	317.6	249.2	5.3	5.25	68.3

[46] Sources: For Hospital Places and Long Term Care (period 2002/2009): Eurostat http://epp.eurostat.ec.europa.eu/. For Elderly: García Herrero and Navarro (2012: 142-143). For Family: García Herrero and Navarro (2012: 145).

2. Poverty Relief, Basic Income, Operational Dimensions of Health care and Social Assistance[47]

	Poverty relief		Basic Income		Operational dimension Health care	Operational dimension Social Assistance
	% beneficiaries poverty relief	Places for homeless/ 100,000 inhab.	% population covered by *renta mínima*	amount of *renta mínima* as % of average income		
Andalusia	2.31	21.9	0.992286	9.49	2	2
Aragón	1.65	49	0.586744	11.02	1	3
Asturias	1.32	36.25	0.886253	15.22	2	2
Balearic Islands	0.93	46.56	0.410289	10.1	3	1
Canary Islands	0.52	41.1	0.471273	16.13	2	1
Cantabria	2.55	30.24	0.595694	7.69	1	2
Castile and Leon	2.36	33.32	0.18187	19.16	2	2
Castile La Mancha	0.3	21.97	0.097171	7.31	1	2
Catalonia	1.57	33.21	1.056137	18.96	3	2
Valencian Community	0.86	22.48	0.096426	12.55	3	2
Extremadura	1.68	16.69	0.351782	7.08	1	2
Galicia	1.26	45.75	0.281129	12.42	2	1
Madrid	1.23	28.47	0.43769	12.9	3	2
Murcia	1.38	31.87	0.132492	9.26	1	1
Navarre	1.27	54.47	1.530638	12.04	1	3
Basque Country	2.01	68.73	2.382779	15.46	2	3
La Rioja	2.38	49.69	0.380876	8.71	1	2

[47] Sources: For Poverty Relief: García Herrero and Navarro (2012: 138 and 148). For Basic Income: García Herrero and Navarro (2012: 140–141). For operational dimensions health care and social assistance (social care): Gallego and Subirats (2012).

Chapter 6

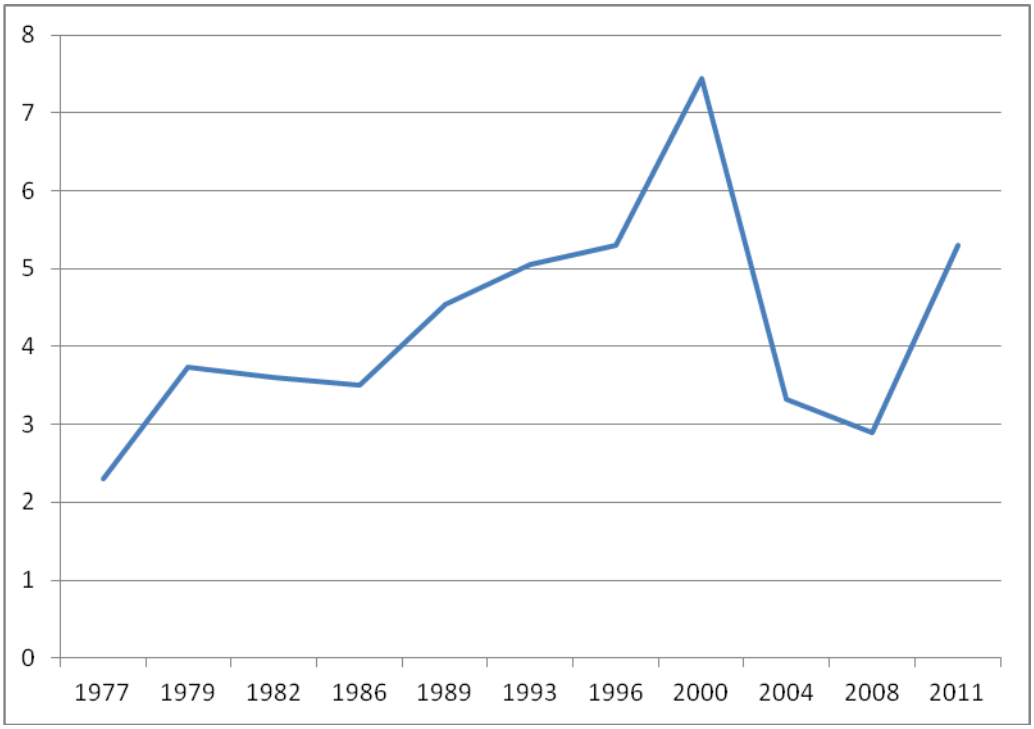
Ethno-regionalist parties in Spain: linking regional welfare governance to 'sub-state' nation building

Spain is often defined as a 'multinational' state where ethno-linguistic minorities have traditionally been very strong. However, the recognition of this fragmented reality occurred only in the late 1970s with the collapse of the Francoist regime. Since then, the centre-periphery cleavage has been an important factor shaping party competition.

Figure 6.1 shows that the saliency of the centre-periphery[48] cleavage increased quite substantially in the 1980s and 1990s and then declined in the 2000s with the stabilisation of the democratic system. Thus in the period immediately after the transition to democracy, territorial issues became increasingly important and this was partly due to the (re-)emergence and strengthening of regionalist parties. In the last three decades, the two largest statewide parties, the Socialist Workers' Party (PSOE) and the People's party (PP), have competed with regionalist parties at the sub-state level and this has significantly influenced their political agenda.

[48] Measure of saliency based on data provided by the Party Manifesto Project (see Chapter 3).

Figure 6.1. Average saliency of the centralisation-decentralisation issue in the manifestoes of the main Spanish parties (parties obtaining more than 4 per cent of the vote at the statewide level)



Source: Volkens et al. (2013). Author's own calculation.

As shown in the previous chapter, Catalonia and the Basque Country are the two Autonomous Communities in which territorial mobilisation has been politically most relevant. For most of the time since their creation, these two regions have been governed by Convergence and Union (CiU) and the Basque Nationalist Party (PNV), two sub-state nationalist parties that have tried to strengthen the autonomy and peculiarity of their communities. This chapter focuses on the social models promoted by these two parties and demonstrates that both Catalonia and the Basque Country have developed strong welfare systems at the regional level, which are substantially different from the Spanish/Southern European model. Yet it is also possible to note the existence of significant qualitative differences between the Catalan and Basque welfare systems. As already shown in the Italian case, qualitative differences in the

social models promoted by regionalist parties may derive from differences in their ideas of social justice and from the alliances they establish with other political parties and social actors. Additionally, the CiU and the PNV have not been the only regionalist parties in their regions, since they have had to compete with smaller political movements focusing on territoriality.

Before moving to the in-depth analysis of the Catalan and Basque cases, it should be noted that, as underlined by Massetti (2011) in his overview of territorial mobilisation in Western Europe, regionalist parties have also emerged and strengthened in other Spanish regions. In Galicia, the Galician Nationalist Block has increased its political importance in recent years, although it has not been able to play a dominant role in Galician politics (Elias, 2009). In Navarre, the Union of the Navarrese People, which has promoted the uniqueness of Navarra vis-à-vis the Basque Country and its fiscal autonomy, has controlled the regional government since the early 1990s. In their classification of Spanish Regions, Maddens and Libbrecht (2009: 209 – 210) include Navarre in the same group as Catalonia and the Basque country, since also in this region territorial movements have generally obtained more than half of the votes. Other regionalist parties have obtained representation in the Canary Islands, Aragon, Balearic Islands, Andalusia, Cantabria and La Rioja but their electoral successes have been less consistent or more recent than in the case of regionalist parties in Catalonia and the Basque Country.

Territoriality and welfare building in Catalonia

The Party System of Catalonia and the dominance of Convergence and Union (CiU)

As suggested by Marcet and Argelaguet (1998: 70), although the majority of Catalan political parties have their roots in the past, the period of political transition of 1976-7 has to be considered as the origin of the present party system. For most of the post-Franco era, the party system has been characterised by the competition between the regionalist coalition, Convergence and Union (CiU) and the Socialist Party of

Catalonia (PSC), whose organisation is federated with the PSOE. Although the PSC has traditionally obtained more electoral support in Spanish general elections, the CiU has been the strongest party in the regional parliament since the early 1980s and has ruled the Autonomous Community from 1980 to 2003 and from 2010 until today (Table 6.1). Such political dominance is mainly due to the charismatic leadership of Jordi Pujol who was president of Catalonia for 23 years and the main actor in the re-construction of Catalan autonomy in the post-Franco period. Since the beginning, while freely referring to Catalonia as a country and a nation, Pujol and the CiU strongly supported continued membership in Spain. Pujol said: 'We are a nation without state. We belong to the Spanish state but have no secessionist ambitions' (As quoted in Garcia I Segura [1995]).

Table 6.1. The governments of Catalonia from 1980 until today

President	**Period**	**Parties**
Jordi Pujol	1980-2003	CiU (absolute majority 1980-1995, minority government 1995-2003)
Pasqual Maragall	2003-2006	PSC-PSOE, ERC, ICV, EUiA, CPC (minimum winning coalition)
José Montilla	2006-2010	PSC-PSOE, ERC, ICV, EUiA, CPC (minimum winning coalition)
Artur Mas	2010-	CiU (minority government)

Source: http://www.parties-and-elections.eu/

The CiU is a confederation of two regionalist parties (Marcet and Casals 2011), Democratic Convergence of Catalonia (*Convergència Democràtica de Catalunya*, CDC) and Democratic Union of Catalonia (*Unió Democràtica de Catalunya*, UDC). Both parties are located on the centre-right of the political spectrum. The CDC is the largest party of the confederation (it was founded by Pujol in 1974) and it is a liberal-

democratic party, which aims to represent the Catalan *petite bourgeoisie* (Marcet and Argelaguet, 1998: 73). Although the CDC initially adopted a socially progressive political programme, it soon shifted towards the conservative side of the political spectrum. As highlighted by McRoberts (2001), the social democratic ideas that were evident in the CDC's programme in its early years have effectively disappeared. Thus, the 1982 CDC programme flatly declared: 'With the exception of some very concrete cases, public enterprise is not justified because it is less efficient than private enterprise' (quoted in McRoberts, 2001: 68). Today the main constituency of the CDC revolves around the social sectors composed of managers, businessmen, executives, traders, self-employed and liberal professionals (Marcet and Argelaguet, 1998: 77). Since the early 1980s, the UDC has been the junior ally of the CDC. The UDC has been defined as a Christian Democratic party and, although its relationship with the CDC has not been immune from conflicts and tensions, over the decades their political alliance, the CiU, has stabilised as a permanent federation (Barberà 2010).

If we consider both the centre-periphery and left-right dimensions in Catalan politics, it is possible to provide a map of the main parties competing with the CiU. As mentioned earlier, the PSC has been the main party of the Left and, although enjoying substantial autonomy from the PSOE, it has been strongly influenced by the Spanish leadership in its political strategies and, therefore, it has been defined by Marcet and Casals (2011) as an 'integrated party'. The tension between territorial and class politics has always characterised the PSC. This aspect will be analysed in more detail in the next chapter focusing on the Spanish Left and its role in social policy making at the sub-state level. Here it is sufficient to say that the position of the PSC on the centre-periphery cleavage has been very moderate and has tended to mediate between the centralising pressures of the national leadership of the PSOE and the demands for more autonomy coming from Catalonia. The role played by the other two parties of the left, Republican Left of Catalonia (*Esquerra Republicana de Catalunya*, ERC) and Initiative for Catalonia-Greens (*Iniciativa per Catalunya Verds*,

ICV), has been quite marginal, although the ERC has increased its political influence in recent years (Rico and Liñeira 2014). Both the ICV and ERC are more supportive of Catalan self-determination than the PSC, but this is due to the fact that, since 2003, the ICV has been very loosely affiliated with the statewide party Izquerda Unida (IU), whereas the ERC has always been a 'truncated', pro-independence party (see Table 6.2 below). Finally on the right, there is the Catalan branch of the People's Party (PP). This party is organisationally quite centralised and has generally been against Catalan autonomy. Yet due to the hegemony of the CiU in the centre-right political area, the PP, which is the main competitor of the PSOE in Spanish politics, has never managed to play an important role in the Catalan party system.

Table 6.2 summarises the organisational characteristics of the main Catalan parties, as described by Marcet and Casals (2011). Only the CiU and ERC can be defined as truly regionalist parties since their organisation is fully 'truncated', that is, it is not federated or confederated within statewide political alliances. The PSC is instead fully integrated in the organisation of the PSOE. Only the PP is a 'unitary party' and, as underlined by Astudillo and García-Guereta (2007: 77), it is a 'highly centralized party'.

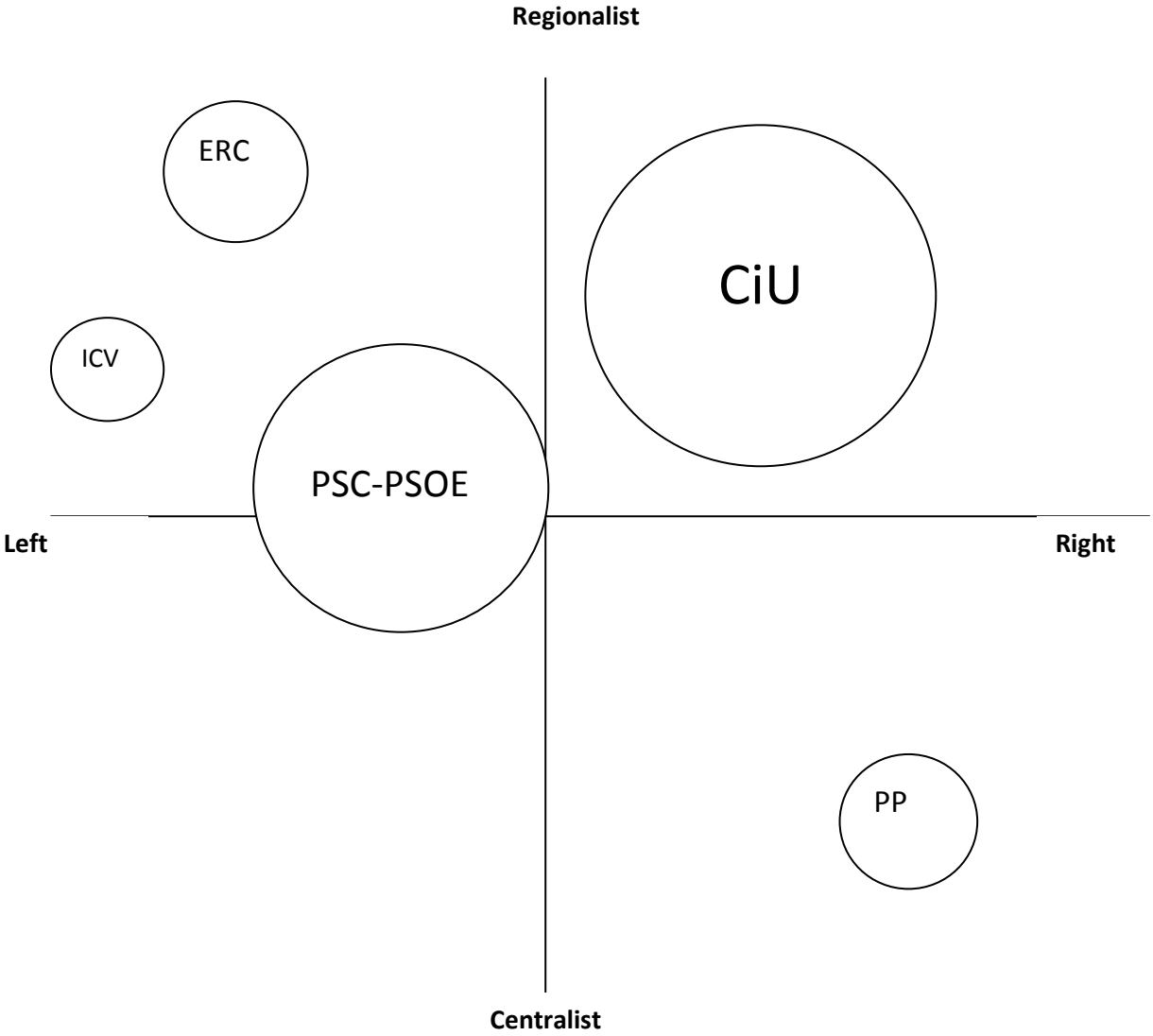
Table 6.2. The organisation of the main Catalan parties

Unitary Parties		PP
Non statewide parties	**Integrated parties**	PSC
		ICV (1987—1997)
	Confederal party	ICV (from 2003)
	Truncated parties, autonomist	CIU
		ERC (2004—2006)
	Truncated parties Pro-independence	ERC

Source: Maracet and Casals (2011).

At the same time, using a slightly modified version of the two-dimensional map provided by Stolz (2009) – and already employed for South Tyrol and Lombardy – combining left-right and centre-periphery cleavages, it can be seen that the CiU clearly dominates both territorial mobilisation and the centre-right of the political spectrum, whereas the PSC appears to be more moderate on territorial issues (Figure 6.2) and less dominant on the centre-left, due to the competition of the ERC and ICV.

Figure 6.2. Locating Catalan parties on the two-dimensional political map combining left-right and centre-periphery cleavages



Source: Stolz (2009: 34). The map has been slightly modified since Stolz's version does not graphically show the sizes of the parties represented. Thus, in this map I also illustrate the size of electoral support enjoyed by each party in Catalan politics (a larger circle indicates greater support).

As already mentioned, the CiU has been a governmental force in Catalonia for most of the time since the transition to democracy. Between 1984 and 1995 the autonomist coalition managed to control the absolute majority of the seats in the Catalan party and this allowed Pujol and his allies to play a truly dominant role in regional policy making. In the 1995-2003 period, the CiU lost its majority but remained in power in a minority government. After the relatively short parenthesis of opposition during the centre-left government led by the PSC-PSOE (2003-2010), the CiU returned to power, leading a new minority government. Particularly in the period between 1984 and 1995, the CiU had enough political strength and autonomy to forge a distinctive model of welfare governance that still characterises Catalonia. In the next section, I highlight the main characteristics of that model and link them to the political preferences and strategies of the dominant coalition of the region.

Building a Distinctive Welfare Model

As already highlighted in the quantitative analysis, in Spain territorial forces have been actively involved in the process of devolution of powers to regional governments. In the 1980s, the CiU adopted a moderate strategy in the bargaining process with Madrid. This allowed the Catalan government to assume full control over important policy making areas, such as health care and social assistance, well before most of the other Spanish regions (Gallego et al., 2003b: 76). Yet, unlike the Basque Country, Catalonia was not granted special fiscal autonomy (Garcia-Milà and McGuire, 2007). In sum, the *Generalitat* (the regional government) of Catalonia has been able to assume primary responsibility for the support and provision of health and social services, but generally within frameworks established by the central government, upon which it is highly dependent for funding (McRoberts, 2001: 128). Nevertheless, high political distinctiveness and strong decision-making autonomy

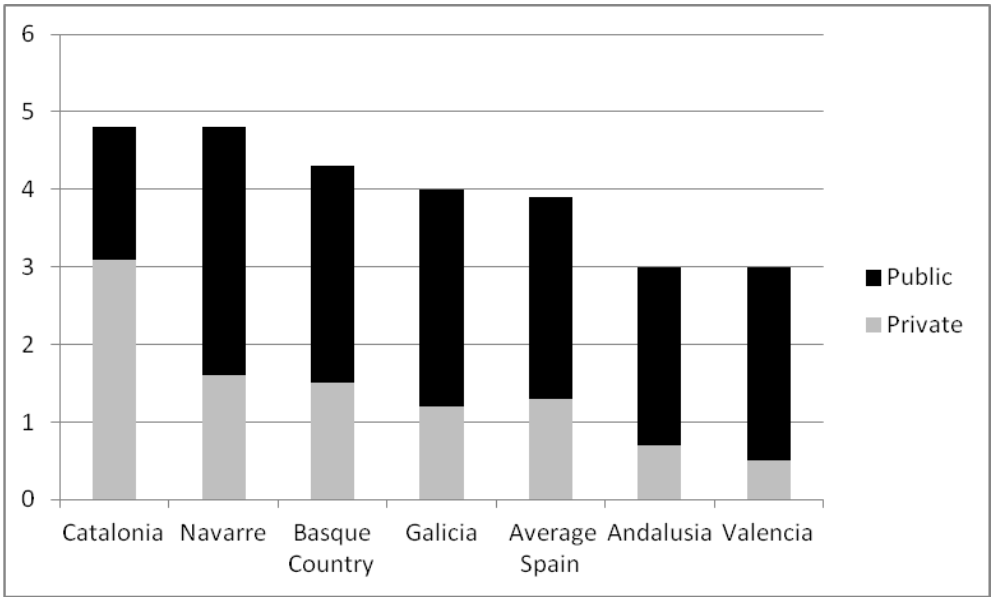
favoured a process of welfare building that has further increased the differences between Catalonia and the rest of Spain.

As mentioned in the previous section, the Catalan party system has been characterised by the existence of two competing blocs of parties, one on the centre-left and the other on the centre-right. The latter bloc has been dominated by the CiU, which has almost uninterruptedly controlled the government of Catalonia. On the other hand, the Catalan Socialist Party, federated with the PSOE, has been the largest party of the opposition for most of the time since the re-establishment of the Generalitat of Catalonia. In this context of polarisation, the CiU has promoted a welfare model, the distinctiveness of which derives from the centrality of private institutions in the provision of social services (McRoberts, 2001: 127). In his analysis of the party platforms, Sariego Mac-Ginty (2000: 86–87) defines the model supported by the CiU as *géstion empresarial* which favours horizontal subsidiarity between public and private sectors and a system of health care based on *mixed* organisation (*sistema mixto de organización*). The CiU also tried to interpret the historical tradition of Catalan welfare that, since the nineteenth century, was based on the existence of an extensive network of private and religious organisations.

Data provided by Gallego (2003: 113) show that in 1995 Catalonia was the Autonomous Community in which the number of private hospital places was by far the highest. Indeed of a total of 4.8 hospital beds for 1,000 inhabitants, 3.1 were private and only 1.7 were public. The Spanish average was very different with 2.6 public and 1.3 private hospital beds per 1,000 inhabitants. Overall, in Figure 6.3, it is possible to see that through its promotion of private participation in welfare provision, Catalonia has been able to build a health care system that is much more extensive than that of most of the other Autonomous Communities, characterised by a lower total number of hospital beds per 1,000 inhabitants. Also evident is a significant difference with the Basque Country, which has a health care system

almost as extensive as the Catalan one but much more based on the public, rather than private, provision of services.

Figure 6.3. Number of private and public hospital beds per 1,000 inhabitants in 1995. Comparing Catalonia with other Autonomous Communities and the Spanish average.



Source: Gallego (2003: 113)

Gallego (2003) underlines that Catalonia has been a notable exception in the Spanish health care system and has been subject to a constant reform process. Analysing the developments in the Catalan health care system, Rico (1996) shows that the Catalan parliament, in which the CiU controlled the absolute majority of the seats, passed the Catalan Law of Health Care Reform (*Ley de Ordenación Sanitaria de Catalunya*) in May 1990, only a month after a similar reform, the 'quasi-market reform', began to be applied in the British NHS. Therefore, Catalonia was one of the first European health care systems introducing 'a division of financing and purchasing functions from the provision of services, shared by private (mostly non-profit-making) hospitals contracted out of the public system and by public hospitals and primary health care

centres' (Rico, 1996: 124). Thus, Moreno (2000: 153), defines the Catalan health care system as a highly distinctive, 'quasi-market' model.

The idea of 'freedom of choice' and the centrality of the individual in the welfare system has often been promoted by the CiU. For instance, in its manifesto for the 2010 local elections the CiU stated that:

> By helping the most disadvantaged and promoting upward social mobility, we strengthen our society. […] We believe in a welfare state that is neither interventionist nor inflexible but which takes into account the people and their sense of responsibility. We want to guarantee everyone's right to choose in all areas of social care. (CiU 2010 programme translated by Montagut et al. [2012: 5])

In the recent campaign for the 2012 Catalan regional elections, the CiU, despite the worsening of the economic crisis, once again confirmed its commitment to the establishment of a more extensive, efficient and universal health system than those in place in other Spanish regions. At the same time, however, it declared that this goal could be fully achieved only through the participation of private actors in the process of evaluation and modernisation of health services (*Una sanitat privada que contribueix als resultats de salut*[49]). This cooperation between the two sectors could be further strengthened through the creation of an 'ethical code of coexistence between public and private health' (*codi ètic de convivència entre la sanitat pública i la sanitat privada*).

During the 1980s the Catalan parliament had approved a series of laws aimed at reordering the system of social services on the basis of a dominant political vision that was inspired by pro-market principles (*comercialismo*) and regional centralism (*antiprovincialismo*) (Vilà, 2000: 371). The latter point underlines the fact that the CiU

[49] CiU, *Programa Electoral (2012): Catalonia 2020,* p. 86. http://www.ciu.cat/media/76990.pdf (date of access 07/11/2014).

was against transferring too many competences to local and provincial authorities, which often were under the control of opposition parties (for instance, Barcelona was a stronghold of the Socialist Party). Generally, in an increasingly multi-level and fragmented system of policy making, the regional government of Catalonia has tended to impose its hegemony over all other levels in the region (Loughlin, 2000: 31) and has come to play a more central role in welfare governance than the national, European, and local levels (Brugué et al, 2000: 112).

While the *Generalitat* of Catalonia has consolidated its role of main *regulator* of social protection, as highlighted by Vilà (2000: 401), the private sector has controlled the provision of the majority of services for children, families, the handicapped, elderly, and the unemployed. For instance, evidence provided by Adelantado and Jiménez (2003: 170) shows that in Catalonia 84 per cent of residential care places are located in private institutions, whereas in Spain the average is 73.7 per cent. The Law on Social Services states that 'in the past the absence of social protection was mitigated by the initiatives of charities and voluntary organisations, which are part of the Catalan tradition'[50]. The laws approved by the Catalan parliament recognised and promoted 'social initiatives' and were therefore aimed at supporting and consolidating a model of social assistance that makes Catalonia a rather singular case among the Spanish regions. Despite its emphasis on private initiatives, Catalan social legislation is considered as one of the best developed and most extensive in Spain. As highlighted by García et al (2013: 97), the Catalan Law on Social Services can be considered as coming very close to 'excellence' since it recognises an extensive set of subjective social rights and is very advanced in strategic social planning.

Additionally, in the 1990s the CiU was one of the first political movements to promote a highly developed, modern and integrated system of family-oriented

[50] As quoted in Vilà (2000: 400): '*Las ausencias del pasato "has sido paliadas por la iniciativa de las fundaciones benéficas asistenciales de gran tradición en Cataluña, por las asociaciones de afectados, por las entidades voluntarias…*"'.

policies, which would go beyond the traditional 'familism' of the Southern European welfare model. In 1993, the Catalan government approved an Integrated Plan in Support of the Family (*Pla Integral de Apoyo a Las Famílies*) through a list of twelve implementation programmes (*Programas de Actuación*), and established an *integrated* network of benefits and services aimed 'at strengthening families and improving their quality of life' (author's translation from Alberdi 1997). A more recent plan[51] (covering the period from 2012 to 2016) further develops the idea of family support through an integrated system of social services that would complement more traditional forms of protection (*polítiques familiars tradicionals*), like cash benefits, as well as promoting cooperation between the public sector, private actors (*món empresarial*) and voluntary organisations.

Overall, using McRoberts's words, today Catalonia has 'a welfare state regime similar to the more advanced southern European regions' (McRoberts, 2001: 128). For instance, it is possible to find many similarities between the Catalan and Lombard welfare models since they are both based on the principle of 'freedom of choice' and on forms of horizontal subsidiarity between public and private sectors. The financial crisis that has hit Catalonia in recent years does not seem to have changed this political orientation but, rather, has accelerated the *marketization* of Catalan welfare in a framework of economic austerity and increasing demands for independence. Indeed, in its 2014 national convention, *Comprometidos con las personas*, the Democratic Convergence of Catalonia, the major partner of the CiU coalition, promoted a system of even stronger cooperation between private and public sectors in order to further extend social services and improve efficiency. The CDC affirmed that Catalan independence would favour the establishment of a truly liberal model of welfare governance, more efficient and sustainable than the Spanish one. Adopting a

[51] *Pla integral de suport a la família (2012-2016)* http://benestar.gencat.cat/web/.content/01departament/05plansactuacio/enllasos/pla_suport_familia.pdf (date of access 04/11/2014).

more radical position on Catalan self-determination and citizenship, the CDC also aimed to link particular benefits coming from Catalan social services to a basic knowledge of the Catalan language and culture, which, in case of independence, would be important preconditions for obtaining full citizenship[52].

Territoriality and Welfare Building in the Basque Country

The party system of the Basque Country and the dominance of the Basque Nationalist Party (PNV)

Like Catalonia, the Basque Country has been almost uninterruptedly governed by a territorial movement: the Basque Nationalist Party (PNV). This party has been described as 'the first and most enduring organisational form of nationalism in the Basque County' (Ugarte and Pérez-Nievas, 1998: 87). Although it was founded in the 19th century, the PNV became the most influential party of the region only in the late 1970s, during the transition to democracy and the establishment of the Autonomous Communities. In that period, the PNV supported a political arrangement that recognised the special status of the Basque Country while maintaining some federal connections with Spain (Irvin, 1999: 123).

Despite its electoral strength, the PNV has never managed to control the absolute majority of the seats in the Basque parliament and has had to form minority or coalition governments. Yet even in this context the PNV could still play a dominant role in Basque Politics. Indeed, Ştefuriuc (2009: 197) underlines that:

[52] A summary on the main conclusions of the *Comprometidos con las personas* conference can be found in an unauthored article published in *El Pais,* 'El nuevo Estado (liberal) de CDC', http://ccaa.elpais.com/ccaa/2014/03/15/catalunya/1394887228_668716.html (date of access, 05/11/2014).

> [A]s the Basque statute of autonomy grants substantially more powers to the Basque government than that of any other autonomous community, the necessity for everyday policy coordination between Madrid and Vitoria, the capital of the Basque Country is also more limited. The Basque government can enact a wide range of policies without having to cooperate with the central government.

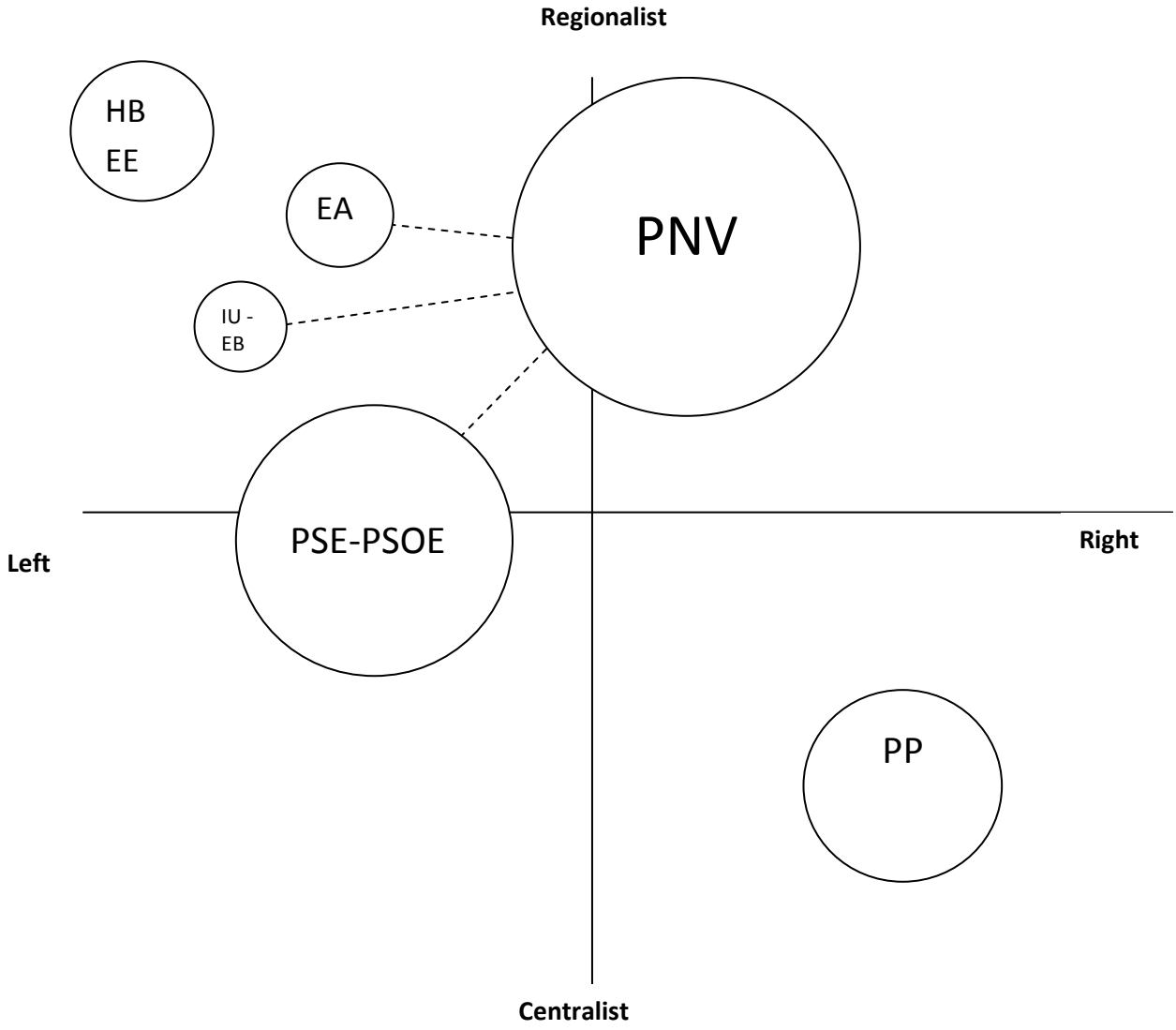
At the same time, it should be noted that, unlike Catalonia, the Basque Country has not developed as a party system based on two competing blocks of parties but, rather, as a system in which a party, the PNV, can be defined as the 'authentic center' (Llera Ramo, 1994: 65) – ideologically, in vote transfer, and also in its ability to balance and coordinate other political actors (Vazquez, 2010: 182). By building coalitions and establishing alliances with other political parties (Table 6.3), the Basque Nationalists have managed to control the regional government for most of the time since 1979 (with a short opposition parenthesis between 2009 and 2012) and can therefore be considered as the 'dominant' political force of the region (Vazquez, 2010: 182; Sartori, 1976).

Table 6.3. Governments of the Basque Country from 1980 until today

President	**Period**	**Parties**
Carlos Garaikoextea	1980-1985	PNV (minority government)
José Antonio Ardanza	1987-1999	PNV, PSE-PSOE (minimum winning coalition, 1985-1991) PNV, EE, EA (minimum winning coalition, 1991-1995) PNV, EA, PSE-PSOE (minimum winning coalition, 1995-1999)
Juan José Ibarretxe	1999-2009	PNV, EA (1999-2001, minority government) PNV, EA, EBB-IU (2001-2009, minimum winning coalition)
Francisco Javier López	2009-2012	PSE-PSOE (minority government)
Iñigo Urkullu	2012-	PNV (minority)

Using a scheme similar to the one presented in the Catalan case, which combines centre-periphery and left-right political cleavages, it is possible to provide a map of the Basque party (Figure 6.4). The PNV dominates the party system and is also the most important territorial party. It is located on the moderate centre-right of the left-right continuum (Massetti 2011) having on its left the statewide Socialist Party (PSOE-PSE) and other smaller regionalist or 'sub-state nationalist' parties (HB, EE and EA). On the right, the main competitor has been the statewide People's Party (PP), which in the 1990s and 2000s managed to obtain more than 20 per cent of the vote (whereas in Catalonia it always remained a rather marginal political actor). The dotted lines indicate the alliances that the PNV has established over the last thirty years.

Figure 6.4. Locating Basque parties on the two-dimensional political map combining left-right and centre-periphery cleavages



Generally, the PNV has preferred to establish alliances with centre-left or left-wing parties (see Table 3) such as the Basque Socialist Party (the PSE, federated with the PSOE) in the 1990s and United Left (IU-EB) and Basque Solidarity (*Eusko Alkartasuna*, EA) in more recent years (Ştefuriuc, 2009: 196). This may be partly due to the fact that, despite its centrist and Christian democratic ideology, the PNV has traditionally taken a more obviously 'progressive' stance on social issues than the CiU. Indeed, as underlined by Clark (1984: 250), while the Basque Nationalists remained committed

to the free market system as the basis for the economic organisation of Euskadi, they also realised that this system must be brought into accord with the needs of the community as a whole. This attention to the workers' rights was also stimulated by the need to compete with smaller left-wing nationalist movements such as Basque Solidarity (EA) and *Herri Batasuna* (HB).

Additionally, Keating (2004: 235) had underlined the fact the Catalan and Basque nationalisms are both 'conservative' but whereas the first one has sought to keep the 'working class in their place', Basque Nationalism, despite being initially reactionary, had sought 'to co-opt the working class in a programme of nation-building'. Thus, unlike the CiU, the PNV actively promoted the formation of a Basque trade union, the Basque Workers' Solidarity (in Basque: *Eusko Langileen Alkartasuna,* ELA). Since the beginning, the ELA was ardently pro-Catholic and, most importantly, it maintained very close links with the 'bourgeois' PNV, thus distancing itself from other unions that were closer to left-wing parties. As pointed out by Clark (1984: 250), the ELA and PNV formed an alliance of the Basque centre. The ELA-PNV collaboration brought together skilled workers, small farmers, peasants, artisans and small businessmen and middle- and upper-class professionals. Therefore, by focusing on the common identity of the Basque community, the ELA, which today is the largest Basque trade union, has tried to reduce class conflicts and, as a consequence, downplay the importance of the left-right cleavage. This makes the Basque case similar to the South Tyrolean one, where the centrist and Christian democratic South Tyrolean People's party also supported the emergence of a moderate trade union promoting interclass cooperation. On the other hand, McRoberts (2001: 107) has highlighted the absence of strong nationalist trade unions in Catalonia, where Convergence and Union has had little affinity with unionism and its working class members are mainly in small and medium-sized enterprises.

Given its central position in the party system, its strong Christian-democratic identity and its successful attempt to create a *cross-class* territorial identity and

establish alliances with centre-left parties, the PNV is expected to have promoted the emergence of a region-specific welfare model, which differs not only from the Spanish one but also from the more liberal and market-oriented one established by the CiU in Catalonia.

Building a Distinctive Welfare Model

Like Catalonia, the Basque Country also actively participated in the construction of the *Estado de las Autonomías.* In the devolution process, the PNV did not fight for the full separation of the Basque Country from the rest of Spain but bargained for the transfer of a wide range of powers from Madrid. A bilateral negotiation process commenced between the Prime Minister Adolfo Suárez (member of the *Unión del Centro Democratico,* UCD) and the PNV's Carlos Garaikoetxea, who had become the leader of the temporary Basque General Council in 1979. The result of this process was a statute that would grant the Basques significant freedom in both economic and cultural matters. In the 1980s, the Basque Country was granted significant powers in the fields of health care and social assistance (Gallego et al, 2003: 76; Rico, 1996: 123–124). Public pension schemes are still administered by Madrid, although in recent years, the PNV has campaigned for the full devolution of pension-related policies[53], which would mark an important step in the development of a fully-fledged welfare regime at the regional level.

It should also be underlined that the Basque Country managed to achieve much more significant levels of fiscal autonomy than other historical communities such as Catalonia and Galicia. Indeed, the PNV and the Basque nationalist movements campaigned for the recognition of fiscal autonomy as one of the historic rights of the Basque provinces (*foralismo*). As underlined by Nordberg (2007), the

[53] '*Transferencia a Euskadi de las pensiones'*, in PNV (2011), *Euskadi Puede: Programa Electoral, Elecciones Generales 2011,* p. 18. http://www.eaj-pnv.eu/adjuntos/pnvDocumentos/9936_archivo.pdf (date of access 10/11/2014).

PNV declared the *fueros* – the fiscal prerogatives granted to the Basque provinces – 'a symbol of the previous, imaginary independence of the region' (97). Therefore, thanks to its 'historical statutory rights', the Basque Country (and also Navarre) could obtain special autonomy straightaway (Garcia, 1993: 193). On the other hand, the Catalan and Galician movements were initially weaker or more fragmented and could not appeal to a historical tradition of fiscal autonomy. For instance, Catalonia was denied any special status in fiscal administration and was instead immediately included in a 'common' fiscal regime (*Régimen Común*) promoting coordination, redistribution and cooperation across most of the Autonomous Communities (Ruiz Almendral, 2002; López-Laborda et al., 2006).

Fiscal autonomy combined with strong decision-making autonomy in welfare issues allowed the establishment of a highly distinctive system of social protection in the Basque Country, and that system has been characterised by high levels of generosity. Indeed, as already shown in the previous chapter, the Basque Country is the Autonomous Community with the highest per capita spending on health care and social assistance. More generally, the Basque Country has 'the most balanced provision offerings: extensive social services, highly developed economic benefits and a significant presence of non-professional, caregivers employed' (Martínez-Buján, 2014: 113). Thus it is not so surprising that Basque citizens today are among the most satisfied with their health care system (Sánchez Vitores 2013).

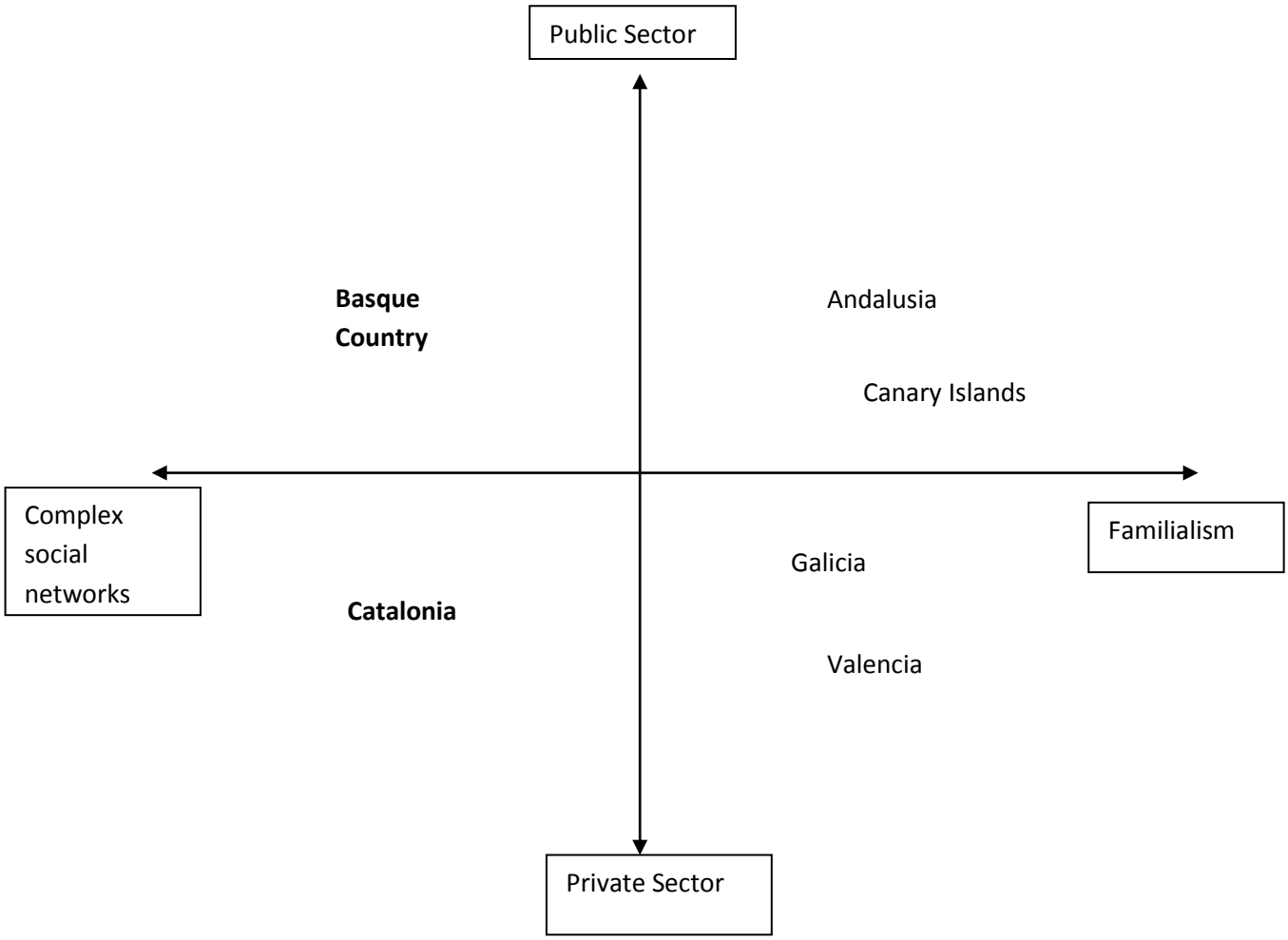
As underlined above, the PNV has often established alliances with centre-left political forces and this seems to have influenced the type of social policies promoted by the Basque government. For instance, more emphasis has been placed on the importance of the public sector as the main provider of health care and social assistance. In his analysis of party programmes, Sariego Mac-Ginty (2000: 87) shows that the PNV has underlined the redistributive nature of health care policies, which are based on four main principles: 'universality, solidarity, equality and quality'

(*universalidad, solidaridad, equidad, calidad*). The aim of regional welfare is to strengthen 'cohesion and social peace' (*cohesión, paz social*).

Therefore, the Basque welfare system has evolved in a direction that is very different from the Catalan one. Gallego et al. (2003c) have underlined that both Autonomous Communities have built highly distinctive models of welfare (*modelo diferencial*), which are also very complex and 'dense' (*modelo complejo comunitario*), since their governance is based on the participation of a plurality of regional actors (Galego et al., 2003c: 215 and 221). However, whereas Catalonia has opted for a model that is clearly market-oriented and supportive of private initiatives (*modelo mercantil*), the Basque government has sought to strengthen the role of public actors in the network of social government, which, of course, also involves private actors but in a more subordinate position (*modelo público).* In sum, the Catalonian system has been defined as a *modelo diferencial mercantil-comunitario*, while the Basque Model can be considered as a *modelo diferencial publico-comunitario.* Figure 6.5 shows the results of the study conducted by Gallego et al. (2003c: 228), comparing the Basque and Catalonian models to those of other Autonomous Communities, which, despite enjoying some autonomy in welfare governance, have been characterised by lower levels of territorial mobilisation. The horizontal dimension refers to whether welfare governance has been based on the participation of different actors in highly developed social networks (*redes sociales*) or, in line with the Southern European model, has been characterised by high levels of familialism. On the other hand, the vertical axis considers the dominance of public or private sectors. Thus, for instance, Andalusia is characterised by a *statist-familialistic* model (see also next chapter), in which the public sector plays the role of 'residual' welfare provider outside the family. The Valencian Community is characterised by a *privatised-familialistic* model, in which the social role of family is only marginally complemented by market forces. In Catalonia and the Basque Country, on the other hand, welfare models are more complex, extensive and distinctive because public or market forces may rely on

communities rather than individual families, and this *communitarianism* has been fostered by the existence of strong territorial identities.

Figure 6.5. Welfare regimes in the Autonomous Communities



Source: Adaptation from Gallego et al. (2003c: 228).

Gallego (2003) has also underlined the fact that the Basque Country has built a health care system that is peculiar in the context of the National Health care System of Spain because it has invested a lot in the construction and planning of a universal system of social care based on the needs of individual citizens. Moreover, in a context in which the public sector is central in welfare provision (see Figure 6.3 in the previous section), the Basque trade union (the ELA), thanks to its close relationship with the

PNV, has been actively involved in health care governance (Gallego 2003: 114). As mentioned in the previous section, this has not happened in Catalonia where a strong territorial trade union has failed to emerge.

The universalistic aspirations of the Basque system can also be found in the level of extensiveness and generosity of the guaranteed minimum income (*renta mínima de inserción*) established by the regional administration. Aguilar et al. define the *renta mínima de inserción* as a social programme that, on the basis of some eligibility criteria, provides assistance to unemployed citizens through economic support and actions that facilitate their (re)integration in society and in the job market. On the basis of this definition, the authors show that in 1995 the Basque Country was the only Autonomous Community with a fully developed programme of minimum income. Catalonia also introduced a *renta mínima,* although this social programme was less generous and inclusive than the Basque one (this is confirmed by Noguera and Ubasart [2003: 198]). All the other Autonomous Communities (with the exception of Madrid) developed forms of protection that were less extensive and not as innovative as the *renta mínima*.

In recent years, all the Autonomous Communities have introduced some form of income support. Yet the Basque Country remains the region with the highest coverage of *renta mínima*, which has even increased during the current economic crisis. Indeed, as shown in Table 6.4, between 2010 and 2011 the percentage of Basque citizens that have benefited from the *renta* has increased from 2.4 per cent to 7.4 per cent, by far the highest percentage among Spanish regions. This is even more striking if we consider the fact that the Basque Country has the lowest level of unemployment and therefore the share of population needing income support is well below the Spanish average. At the same time, regions with high levels of poverty and unemployment such as Andalusia, the Canary Islands and Murcia are very far from the Basque and Navarrese figures. It should also be noted that in 2010 Catalonia was the region with the highest coverage after the Basque Country and Navarre but its

position worsened in 2011. This is probably due to the fact that, being part of the 'common' fiscal regime, Catalonia has been fully involved in the financial crisis affecting Spain in recent years, whereas the two *foral* regions have used their special fiscal autonomy to protect and further expand their systems of social protection.

Table 6.4. The coverage of *renta mínima de inserción* (% of the population that benefited from the scheme) in the Autonomous Communities and levels of unemployment in 2010 and 2011

	Coverage 2010 (% of population)	Coverage 2011 (% of population)	Unemployment 2010	Unemployment 2011
Basque Country	2.38	7.41	10.5	12
Navarre	1.54	2.94	11.8	12.9
Asturias	0.89	1.84	16	17.9
Andalusia	0.99	1.57	28	30.4
Aragon	0.59	1.11	14.8	17.1
Cantabria	0.6	1.47	13.9	15.3
Catalonia	1.03	0.82	17.8	19.2
Madrid	0.44	0.82	16.1	16.7
Canary Islands	0.47	0.69	28.7	29.7
La Rioja	0.4	0.63	14.3	17
Castile Leon	0.18	0.63	15.8	16.7
Balearic Islands	0.41	0.62	20.4	21.9
Galicia	0.28	0.58	15.4	17.4
Castile Mancha	0.1	0.36	21	22.9
Valencian C.	0.18	0.33	23.3	24.5
Murcia	0.13	0.32	23.4	25.4
Extremadura	0.35	0.3	23	25.2

Sources: García Herrero G. A. and J. M. R. Navarro (2012: 140–141); García et al. (2013: 183).

Thus it seems that during the period of economic crisis and austerity, the Basque Country has used its special autonomy to shield its social system and, as a result of this, today the gap between this region and the rest of Spain is widening This can be empirically shown through a preliminary analysis of the DEC index (*Indíce de desarrollo de los servicios sociales*) elaborated in 2012, 2013 and 2014 by a group of Spanish scholars and focusing on spending, regulation and implementation of social

services[54] in the 17 Autonomous Communities. The score ranges from 0 (no development) to 10 (very high development). It can be seen that in the post-crisis periods, the dynamic of social service development seems to be much more positive in the Basque Country than in most of the other ACs. Whereas the Basque Country has further improved its already high score by 0.7 on the 0–10 scale, the average of the other communities has slightly decreased by 0.05.

Table 6.5. Index of development of social services in Spanish Autonomous Communities. Post-crisis evolution: comparing 2012 and 2013

	2012	2013	2014	Difference 2014-2012
Basque Country	6.8	7.35	7.5	0.7
Navarre	6.55	7.15	6.85	0.3
Castile and Leon	6.9	6.65	6.65	-0.15
Asturias	5.5	6.35	6.35	0.85
La Rioja	6.7	6.85	6.2	-0.5
Catalonia	5.9	6.35	6.15	0.25
Cantabria	5.2	6.6	5.85	0.65
Castile Mancha	5.9	6.25	5.7	-0.2
Aragon	5.35	5.85	5.05	-0.3
Extremadura	4.2	5.6	4.15	-0.05
Andalusia	4.6	4.4	4	-0.6
Balearic Islands	2.9	3.15	3.85	0.95
Madrid	2.5	2.75	3.7	1.2
Galicia	5.1	3.65	2.85	-2.25
Canary Islands	1.8	2	2.6	0.8
Murcia	3.6	2.8	2.1	-1.5
Valencian Community	0.8	0.6	0.6	-0.2

Sources: García Herrero G. A. and J. M. R. Navarro (2012); García et al. (2013); García et al. (2014).

[54] The DEC index only focuses on 'social assistance' services and does not include health care.

Conclusion

Overall, both Catalonia and the Basque Country have established strong and distinctive welfare models, which substantially diverge from the residual and familialistic model that characterises most of the Spanish regions. Additionally, this chapter has demonstrated that the Catalan model is also qualitatively different from the Basque one. Whereas the latter is mainly based on the direct action of the public sector and involvement of social partners in social governance, the former is more 'market-oriented' and based on competition, private initiative, and freedom of choice. These qualitative differences are mainly due to the fact that the PNV and CiU have not acted in a 'vacuum' but have been part of distinctive 'policy communities' and have established different types of regional coalitions with social and political actors.

At the same time, it should be highlighted that the Basque model has also benefited from an 'institutional' advantage – its *foral status* and fiscal autonomy – which, particularly in an era of austerity, has resulted in a more generous and resilient welfare system than the Catalan (and Spanish) one. This also points to the more important role played by formal institutional asymmetries in determining different levels of welfare development across the Spanish regions, as already shown in the quantitative analysis of Chapter 5.

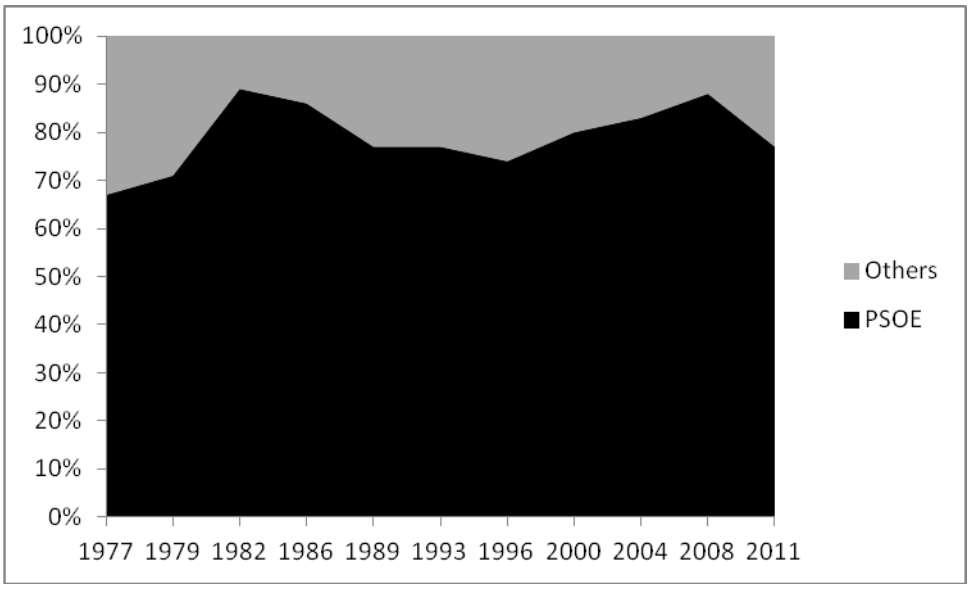
Chapter 7

The Spanish Left: statewide political dominance and the regional challenge

In the last decades the Spanish Left has been dominated by the Spanish Socialist Workers' Party (PSOE), which, since the transition to democracy, has represented the overwhelming majority of left-wing votes (Figure 7.1). Indeed, by the beginning of the 1980s other left-wing parties (in particular, the Spanish Communist Party) had substantially weakened, leaving the PSOE with no serious competitors. The PSOE is the oldest party of Spain (it was founded in 1879) and became the main representative of the working class in the late 19th century (Magone 2009). The party evolved slowly and also founded a trade union confederation (UGT, *Unión General de Trabajadores*).

Most importantly, the PSOE has been the dominant party in Spanish Politics for most of the period after the transition to democracy. The party was in central government from 1982 to 1996, and again from 2004 to 2011. Particularly in the first period of government under the leadership of Felipe González, the Party experienced its '*edad dorada*' (Marín Arce, 2000: 189) and was able to play a central role in the construction of the new Spanish democracy and its social system.

Figure 7.1. Electoral support for the PSOE as a percentage of the total support for left-wing parties in Spain



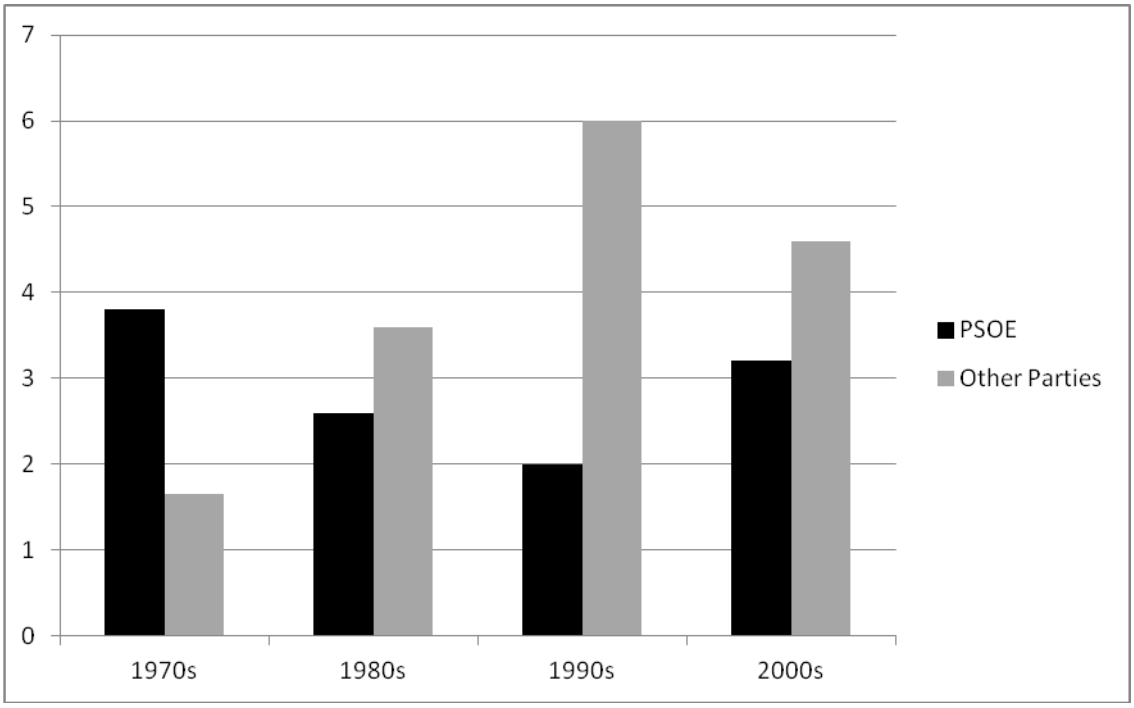
Source: http://www.parties-and-elections.eu/ Author's own calculation.

The hegemony of the PSOE in statewide politics seems to have affected its attitudes towards decentralisation and federalism. Using the data provided by the Party Manifesto Project (Volkens et al., 2013) it can be noted that in the 1970s, immediately after the collapse of the Francoist regime, PSOE support for decentralisation and federalism was much stronger than the average support of all other parties obtaining at least 4 per cent of the vote at the statewide level (Figure 7.2). For instance in 1976, the PSOE conference approved a resolution that tried to reconcile the cross-territorial nature of class politics with the need to build a federal state after decades of authoritarian centralism[55]. This attitude changed quite radically in the 1980s and 1990s, when the party managed to consolidate its control of the central government and, therefore, started considering decentralisation as a potential threat to its political dominance. Socialist support for decentralisation increased again in the 2000s, after a period of opposition and under the new leadership of Josè Luis Zapatero.

[55] 'El PSOE propugna la instauración de una República *Federal de trabajadores*, integrada por todos los pueblos del Estado español' ('Resolución sobre nacionalidades y regiones' quoted in De Blass Guerrero [1978: 164], italics added).

As I will show in the following sections, the centralising tendencies of the PSOE in the period of construction and consolidation of Spanish institutions had a strong influence on its party organisation, its leadership, and its role in regional politics and policymaking. The PSOE was crucial in the construction of a statewide welfare system in Spain. At the same time, the existence of a centre-periphery cleavage constituted a challenge to this party and its attempts to hinder the emergence of region-specific welfare models, which risked threatening the territorial integrity of Spain.

Figure 7.2. The support for decentralisation of the PSOE compared to average support for decentralisation of all other parties obtaining at least 4 per cent of the vote at the statewide level



Source: Volkens et al. (2013). Author's own calculation (see also Chapter 4).

Party ideology and organisation

The PSOE is a socially progressive party. Although in the 1970s it still defined itself as a 'Marxist' political party, by the end of that decade the PSOE 'had emerged as one of Europe's most *moderate* socialist parties far closer to the Northern European social democratic parties than to the parties of Mitterand and Papandreou' (Share, 1985: 82). This 'social democratization' of the party ideology paved the way for the election victory in 1982 under the leadership of Felipe González, which, in turn, marked the beginning of the long era of Socialist government that was only interrupted in 1996.

The organisation of the party had to adapt to its centrality in Spanish politics and to the strengthening of its national leadership. As highlighted by Méndez Lago (2007: 95)

> Once it won the 1982 general elections, the PSOE enjoyed a huge number of resources with which to influence society. Having access to government meant having to fill many positions and having access to patronage. In short, it opened a pool of resources that went far beyond the existing and the potential party's organizational resources, and diminished the necessity and the 'profitability' of investing in the party organization.

Immediately after the collapse of Franco's dictatorship, which was characterised by high levels of centralism, the PSOE decided to adopt a decentralised and regionalised organisation (Fabre and Méndez-Lago, 2009: 109). Formally, the federal features of the PSOE organisation have not changed over time and most of its internal offices are still called 'federal' and are open to territorial representation (Figure 3). Yet, one should distinguish between the formal organisational arrangements of a party and how, *de facto*, power is distributed across the various levels of its territorial organisation. Indeed, the PSOE inherited a rather weak party organisation, which counted only 2,548 members in 1974 and 9,141 in 1976 (Soto, 2005: 80). For this

reason, the 're-organisation of the PSOE was mainly conducted from the centre' (Fabre, 2008: 169).

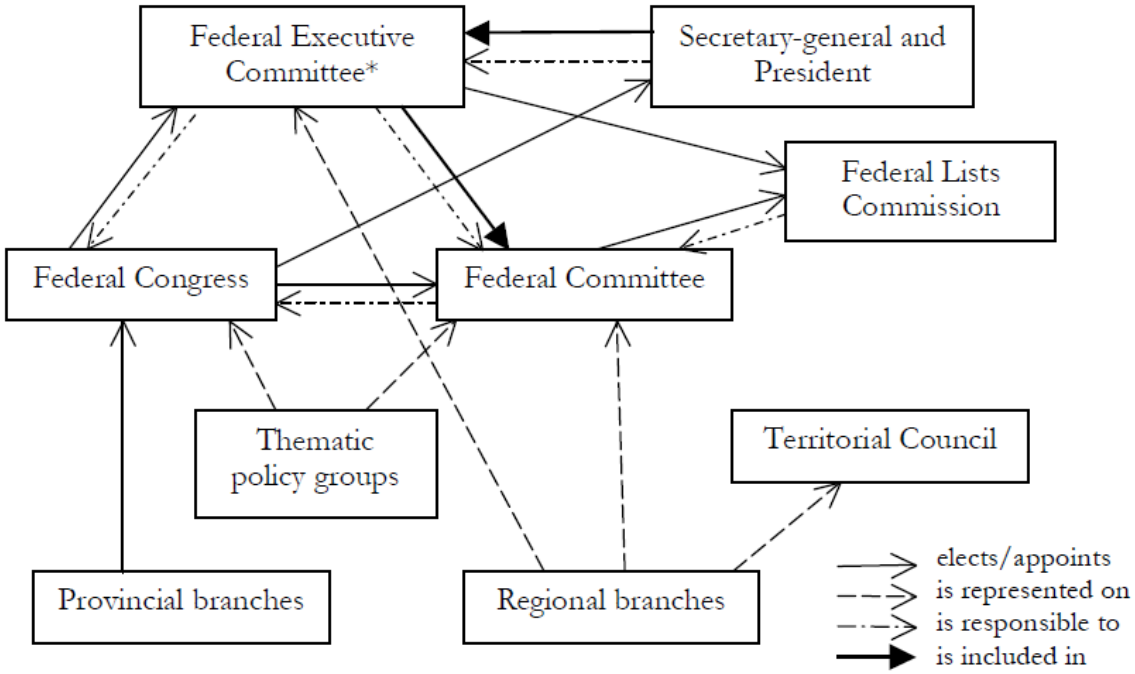
Additionally, the need to be electorally competitive at the statewide level prompted González and the deputy leader of the party, Alfonso Guerra, to build a cohesive, disciplined party (Padró-Solanet, 1996: 465). Therefore, 'the regional branches were also set up from the centre, once the provincial branches were organised to fight statewide parliamentary elections' (Fabre, 2008: 161). Juliá (1997) also underlines that the reconstruction of the party took place *before* regional elites had time to develop, and provisions were made so that the central office of the party had the power to decide on political alliances, and to veto candidates on the lists for public office. PSOE elites were soon aware 'of the need to centralize authority and create discipline within the party' in order to assume the role of dominant, catch-all party of Spain (Share, 1999: 107).

Overall, the organisation of the PSOE can be defined as highly 'integrated' (Thorlakson, 2009: 168). The only (partial) exception was the Catalan Socialist Party, which formally remained an independent party, although it was soon 'treated like any other regional party branch' (Fabre and Méndez-Lago, 2009: 110). In reality, the relationship between the central leadership and the Catalan leadership changed over time and was strongly influenced by internal party equilibriums.

The next section focuses on the strategies that the PSOE adopted to accommodate (or contrast) territorial demands for institutional and welfare autonomy in Catalonia and the Basque Country, two regions in which the party played a much less dominant role than in Madrid and had to face the challenge of territorial parties. The results of this analysis suggest that for most of its time in central government, the PSOE tried to limit territorial divergence in social governance and, in some regional contexts, it was torn by the 'dilemma' between cross-territorial class politics and the support for regional identities. This analysis is then contrasted with the case of Andalusia, a region in which the PSOE has always

been politically dominant and has not been faced with significant territorial challenges.

Figure 7.3. The internal organisation of the PSOE



Source: Fabre (2009: 172).

The PSOE and the regional challenge in the cases of Catalonia, the Basque Country and Andalusia

As mentioned in the first section of this chapter, immediately after the collapse of the Francoist regime, the PSOE actively supported the establishment of a federal system, which would acknowledge the existence of territorial identities. Yet the party soon realised that granting special powers only to those regions in which territorial mobilisation was strong would have undermined the integrity of the Spanish system. As highlighted by Clark (1984: 307):

> Reflecting the redistributive inclination of the left, the PSOE felt that any one region's autonomy would have to be developed in accord with a nation-wide economic development plan that would meet the needs of Spain's poorer regions.

Additionally, the moderate support for decentralisation was accompanied by an opposing process of within-party centralisation promoted by González and the central leaders of the party. This process of internal centralisation seemed to be in stark conflict with the institutional development of the Spanish state in this period. Yet this contradiction was more apparent than real, since the strengthening of the party leadership also determined a marked shift in the party line. Felipe González's administration, which governed with an absolute majority from 1982 to 1993, 'quickly adopted a conservative approach to institutional matters, while concentrating internal party power around the Council of Ministers' (Hopkin, 2009b: 192). Moreover, González's charismatic and highly personalised leadership 'made the PSOE a relatively centralised organisation through the 1980s, with the government dominating the party and regional party elites subordinated to the national leadership (Ibid.).

The support for a *highly integrated* regional system started even before the PSOE gained control of the central government. Indeed, in 1981, the conservative government led by Adolfo Suárez, after having promoted the creation of the Autonomous Communities, also passed an Organic Law for the Harmonization of the Process of Self-government (LOAPA). In name of 'harmonization', the Act would take back powers granted in the statutes of autonomy that had already been approved. Moreover, it required the parliaments of the Autonomous Communities to have their laws ratified by the central government. Territorial movements strongly opposed this law but the PSOE, including the Catalan Socialist Party, supported it (McRoberts, 2001: 73).

Once in power, the main programmatic goals of the PSOE were to promote substantial public investment policies improving fixed capital formation and human

capital formation (Boix, 1998: 155). The PSOE feared that excessive decentralisation would reduce the effectiveness of its (mainly supply-side) policies and undermine its control of economic resources (including social transfers) that could be used to stabilise cross-regional electoral support. Thus, even though in August 1983 the Constitutional Court determined that 14 of the provisions of the harmonization bill were unconstitutional, the González government continued to pursue the underlying objective of the law: to rein in the more ambitious Autonomous Communities such as Catalonia and the Basque Country. Additionally, the Constitutional Court argued that the LOAPA was not necessary since the government could achieve the same objective through the *basic law*. Therefore, by invoking its responsibility for 'general interests', the González government 'passed laws to set standards and to intervene in areas of AC responsibility such as education, health care, economic development, and tourism'. Moreover, 'the claims of ACs such as Catalonia that they had final authority over the powers listed in their statutes of autonomy were effectively negated' (McRoberts, 2001: 73).

González also tried to reduce the singularity of Catalonia and the Basque Country within the Spanish political order and, in the process, refuted the claim of 'historical regions' (Catalonia, Basque Country and Galicia) that they should enjoy special status. Since its election victory, the general aim of the PSOE was to standardise the competencies of all regional governments (Agranoff, 1993: 87), regardless of the existence of strong territorial identities. Therefore, special powers were also transferred to Valencia and the Canary Islands and Andalusia. Most importantly:

> In the case of health, combining four additional ACs (Andalusia, Canaries, Galicia and Valencia) with the Basque Country and Catalonia served the government's purposes well. While helping these four additional ACs to take on health care, Madrid retained important controls over these activities. It was more manageable for Madrid to deal with six ACs collectively than it would have been to deal with the Basque Country and Catalonia alone (McRoberts, 2001: 74).

According to Agranoff (1993), by devolving the administration of health care to six Autonomous Communities, the PSOE tried to establish a system of cross-regional coordination, which, while acknowledging the demands coming from territorially mobilised regions, would remain under strong central control.

Generally, 'neither the PSOE nor the PP has been very sympathetic to the full extent of Catalan and Basque demands' (Sorens, 2009:262). The hostility of the PSOE towards decentralisation in Catalonia and the Basque country is also motivated by the fact that the local branches of the PSOE have traditionally received a significant proportion of their support from 'immigrants' born elsewhere in Spain, who are overwhelmingly against Catalan or Basque nationalism (Ibid.). Additionally, Keating has argued that the originally conservative character of nationalism in the Basque Country and Catalonia has prevented the PSOE from fully supporting territorialism and decentralisation. Thus, the PSOE 'adopted a formal position in favour of federalism in 1981, but showed little conviction in carrying it through' (Keating, 2004: 235).

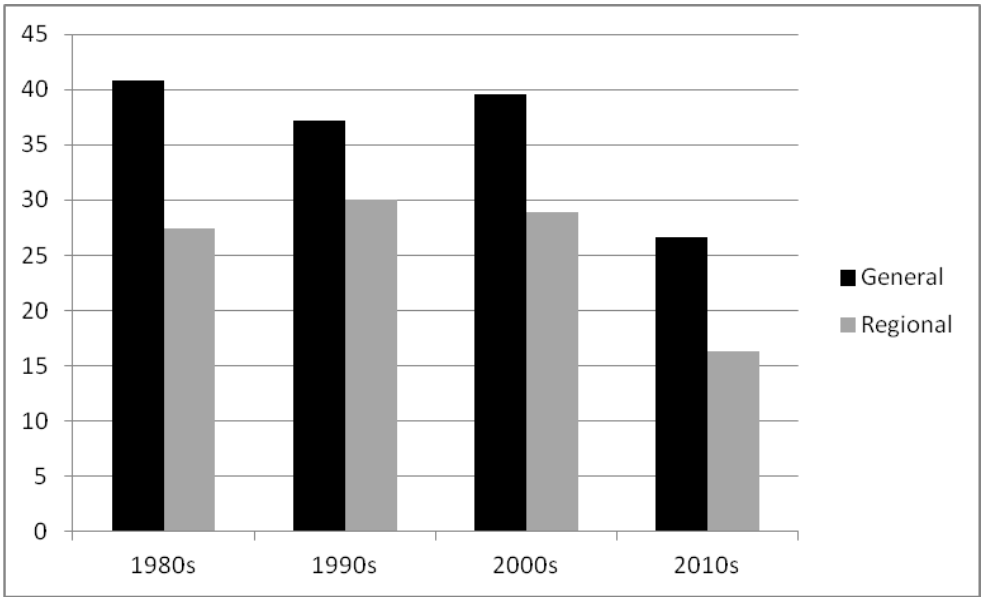
Although, as already mentioned, the PSOE formally recognises the total strategic and organisational autonomy of its Catalan branch, the PSC, in practice it does not consider that relationship as 'federal' in the same way as it has been against excessive federalisation of the Spanish state (Marcet and Casals 2011: 217). Hopkin (2003: 233) has argued that the Catalan Socialist Party has 'generally fallen into line with the Madrid leadership on key issues', including welfare policies.

In this context, 'the PSC-PSOE's dual nature as a regional party and an affiliate of a national party can explain many of the strategic and electoral dilemmas it has experienced' (Roller and Van Hauten, 2003: 1). Given these intra-party tensions, it is not surprising that on the one hand the PSC-PSOE has always been the largest Catalan party in the general elections (until 2011) but, on the other, it has not been able to replicate this success in the electoral competitions at the regional level. Hopkin (2003: 233) argues that this is 'widely seen as the consequence of the PSC's

perceived closeness to the PSOE, which allows the Catalan nationalist parties to represent the PSC as a party more concerned with the interests of Spain as a whole, and themselves as more concerned with the interests of Catalonia'. Thus, in order to monopolise the pro-Catalan political field, the CiU began to portray the PSC as a mere 'branch' of the Spanish party (Ross, 1996: 498).

The general perception that the PSC has mainly been a regional branch of the PSOE seems to be strongly reflected in its electoral results in Catalonia. As illustrated in Figure 7.4, in the 1980s the PSC-PSOE obtained, on average, more than 40 per cent of the Catalan vote in general elections but only 27 per cent of the vote in regional election. This discrepancy has remained constant over the last three decades – even in the 2000s when, for the first time, the PSC-PSOE managed to form a regional government with other centre-left parties.

Figure 7.4. Electoral results of PSC-PSOE in General and Regional elections (results in percentage points by decade)



Source: http://www.parties-and-elections.eu/.

The literature on Catalan politics has also shown that tensions between the central party elite and the regional party organisation emerged in the 2003-2010 period when the PSOE controlled both the central government (from 2004) and *Generalitat* (Marcet and Casals, 2011: 217). During this period the PSC-PSOE approved a change in the new statute of autonomy. However, Sorens (2009: 262) defines this as a 'very modest' change due to the pressures coming from the socialist government in Madrid.

Additionally, it should be underlined that in Catalonia the PSC has mainly focused on the development of local rather than regional social services (Montagut et al. 2012). Indeed, since they have controlled the municipality of Barcelona for many decades and have instead played a much more marginal role in the *Generalitat*, the Socialists have often opposed the region-centric welfare model imposed by the CiU (see Chapter 6) and have tried to downplay the mediating role played by regional institutions in multi-level social governance.

Also in the Basque Country the tension between territorial issues and statewide politics affected the strategies of the regional branch of the PSOE. The Basque PSOE had dominated the Left of this region since the late 1970s, but it soon met an obstacle: the articulation of Basque nationalist grievances as opposed to those of the working class. Indeed Clark (1984: 247) suggests that:

> The Basques are a classic case of conflict between class and ethnicity. Many Basques of the national bourgeoisie see the basic social fault line as separating ethnic Basques from Spaniards. For them, metaphorically speaking, the important frontier is the Ebro River. Others, who are members of the working class, think of political struggle in terms of social and economic class, and perceive the world as divided between those who own property and buy labor, and those who own no property and who sell their labor to others.

Thus, for a social-democratic party like the Basque PSOE it has been very difficult to reconcile territorial and class identities. Vazquez (2010: 79) suggests that immediately

after the transition to democracy the PSOE-PSE had to deal with two parallel, centre-periphery clashes:

> One was in regard to the regional question and allocation of governmental power in the structure of the state apparatus. The other dealt with the party's own restructuring battle, which would determine the degree of its internal federation. Proregional advocates, even referred to within the party as "the nationalists", were in great part a product of the incorporation of non-PSOE socialist forces from the periphery; they became the base of 'nationalist' currents within the PSOE, entering into a rivalry with the 'centralist' and 'worker' currents.

The fact that the centralist factions of the Socialist Party were also called 'worker currents' shows that traditional class issues were considered to be incompatible with the demands for territorial autonomy within the party and within the Spanish state. This also resulted in a division of the working class, since the PSE-PSOE had a close relationship with the statewide trade union UGT, which, however, was not nearly as strong as the more territorially-focused trade unions[56] (Nordberg, 2007: 125). Thus, in the post-Franco Basque context, the PSE-PSOE was engaged in a political confrontation with the PNV on the issue of fiscal autonomy, since the latter supported the establishment of a special status for the region (*Régimen foral*), whereas the former 'emphasized strengthening the [central] state's tax planning and coordination as well as the financial balance between the regions' (Nordberg, 2007: 115). Generally, the Basque branch of the PSOE has been even closer to the party central office than the Catalan one[57] and, as shown by Maddens and Libbrecht (2009: 225), Basque Socialists have been even less supportive of regionalism than their Catalan colleagues.

[56] As shown in the previous chapter, the ELA trade union is the strongest trade union in the Basque Country and is closer to the Basque Nationalist Party.

[57] Fabre (2011: 360) also shows that the PSE-PSOE is organisationally less autonomous than the PSC.

After the election victory in 1982, the idea that territorial issues could become a potential threat to statewide social solidarity and redistribution became even stronger within the PSOE. Socialist leaders were generally hostile towards social programmes unilaterally promoted by the PNV-led Basque government. For instance, in 1989 the Basque Country introduced a first version of 'minimum income of insertion' called *Ingreso Mínimo Familiar* (in 1990 it was renamed *Ingreso Mínimo de Inserción*). After the publication of a study on poverty, Basque institutions decided to develop an integrated plan against poverty, which also included income support. The central government controlled by the PSOE immediately opposed this initiative arguing that it would encourage social dependence and 'parasitism'. Additionally, the socialist minister for social affairs, Matilde Fernández, accused the Basque government of trying to break territorial solidarity in Spain (Noguera and Ubasart, 2003: 199).

On another occasion, the Basque branch of the PSOE, which in the late 1980s joined the PNV-led government and controlled the Basque health care department, approved a decree that extended free (and public) health care assistance to poor citizens, thus actively implementing the universalistic principles that inspired the National Health System established in 1986 at the statewide level[58]. Yet this initiative was not limited to the Autonomous Community and was soon embraced by the central office of the PSOE, which approved a similar law (*Ley de Presupuestos Generales del Estado para 1989*) for the entire country (Gallego, 2003: 108). This shows that even when the PSOE promoted sub-state social policies, it tended to share them with statewide party elites, which, in turn, transformed them into statewide social programmes. Thus regional federations of the PSOE played the role of 'transmission belts' between the periphery and the centre (Agranoff 1993) and contributed to the process of homogenising social policies across the Spanish territory.

[58] The implementation of the *Servicios Nacionales de Salud* was decentralised and important powers were delegated to Autonomous Communities (Del Castillo, 200: 256).

The case of Andalusia

So far, I have focused on two regions in which the PSOE was not the dominant political force and had to oppose or adapt to the pressures of strong territorial movements. It should be noted, however, that the largest party of the Spanish Left has obtained its best electoral results in regions in which territorial mobilisation has been weak or absent. Andalusia can be seen as the best example of a Socialist stronghold (since 1982 the PSOE has uninterruptedly controlled the regional government) in which regionalist parties have not posed a serious challenge[59]. In fact, as underlined by Bukowsky (2002) this region was used by the Socialists to consolidate their control of central government and to counterbalance the demands for increasing autonomy coming from the so-called 'historical' regions (Catalonia, Basque Country and Galicia).

Moreno and Trelles (2005: 525) argue that 'by controlling a large Spanish *Comunidad Autonoma*, the Socialists have been able to pursue their autonomist philosophy without alienating either "centralist" or "peripheral" views within the party'. According to the two authors the dominance of the PSOE in this region has resulted in the promotion of some innovative social policies, focusing in particular on the minimum income scheme (which, however, was an initiative started by the Basque Country). They also show that social spending in the region has grown considerably over the last decades (particularly in the early 2000s). In the field of labour market policies, which are beyond the scope of this study, the central government led by PSOE developed a Plan for Agricultural Employment (*Plan de*

[59] The only regionalist party with some political relevance is the Andalusian Party (*Partido Andalucista,* PA), a social-democratic territorial party that in the period between 1980 and 2004 obtained between 3 and 10 seats in the regional council (out of 109 seats). Between 1996 and 2004 the PA was also junior partner in the PSOE-led regional government. Overall, this party has had 'an erratic electoral performance' in the region (Bukowsky, 2002: 151).

Empleo Rural, PER) aimed at supporting temporary seasonal agricultural workers during the periods of unemployment. The PER is mainly targeted at workers in Andalusia and Extremadura. They are also given the opportunity to be involved in infrastructure projects promoted by municipalities in the two regions (Muñoz-Repiso, 2000). Yet it should also be underlined that, during the González era, following a mix of social-democratic and clientelistic practices, the PSOE-led central government allocated a large amount of economic resources to Andalusia (and also to Extremadura and Castile-La Mancha) and established centrally coordinated (and financed) social programmes against poverty and unemployment in peripheral regions (Hopkin, 2001). Thus social and economic policies were developed under the close scrutiny of the central leadership of the PSOE and, despite some relevant exceptions, they did not contribute to the construction of an autonomous and distinctive welfare model – as the data provided in Chapter 5 also seems to suggest. Even 'territorially concentrated' social programmes like the PER were promoted directly by Madrid and, rather than being regarded as sources of regional welfare building, are at the centre of an academic discussion on the link between public policies and political clientelism in the Andalusian Community (Egea, 2003). John (2001: 126) highlights the fact that although the Socialist Party in Andalusia initially had ambitious plans for autonomous economic development policies, 'these policies have gradually moderated as regional elites have sought to *integrate* decision-making into the policies for the whole country' (Italics added).

Gallego et al. (2003: 228) classify the Andalusian welfare state as a system that recognises the primacy of the family dimension supported by some (rather limited) forms of public intervention. Martínez-Bujánan (2014: 112) also states that the Andalusian system is characterised by the family as the principle agent in the care provision supported by public administration with some cash benefits. This model can be defined as 'statist-familialism' (Purandaré, 2011: 232) or a 'subsidized familistic model' (Martínez-Buján, 2014: 112) and does not substantially deviate from

the Southern European model, in which Spain (but also Italy, Portugal, Greece and, partly, France) is often classified.

Bukowsky (2002: 152) suggests that the Andalusian Socialists 'used to their advantage the national political situation, gaining political benefits through close ties with the national PSOE government'. Regional policies were not aimed at reinforcing the distinctiveness of Andalusia from the rest of Spain but, rather, at strengthening the central government and the dependence of this region from the support of Madrid (which was essential, since the national leadership of the PSOE in turn needed the votes of Andalusia, the most populated Spanish region, in order to win the general election).

This situation of dependency changed only when the PP won the general election and managed to control the central government between 1996 and 2004. Interestingly, in the years immediately after the collapse of the PSOE government, the number of beneficiaries of the above mentioned PER programme fell by more than 10 per cent[60] (Muñoz-Repiso, 2000) and this seems to confirm the fact that the Andalusian welfare system heavily relied on the central intervention of a 'friendly' government.

After 1996, the PSOE, which remained dominant in Andalusia, started investing political and economic resources in the promotion of more autonomous social programmes, which were in part different to the ones promoted by the conservative central government. Therefore, it seems that the main obstacle to the development of a region-specific welfare model in Andalusia was not only the economic backwardness of this region but also the fact that its dominant party could rely on close relationships with national leaders and on the resources that were

[60] On average, the number of PER beneficiaries in the triennium from 1993 to 1995 was 222,413. In the triennium after the 1996 general election (1997 to 1999) if fell by 12 per cent, to 195,602 beneficiaries (Muñoz-Repiso, 2000: 14).

allocated from the centre. Bukowsky provides a clear picture of the changing dynamics in Andalusian policy making:

> Chaves, the PSOE-A president of the Junta since 1990, utilized his close relations with Prime Minister Felipe González and the national PSOE to be awarded several high-profile projects for Andalucía [...]. [yet] since the PSOE defeat at the national level, Chaves has used his regional government as both a 'shop window' for socialist policies, and as an opposition platform from which to attack the Popular Party, and, some argue, to serve his national political ambitions. For example, when the PP government implemented a plan to cut health costs by limiting the number of medicines that were available through the national health service, Chaves declined to apply this measure in Andalucía (even though the PSOE had drawn up a similar measure when it was in power), and continued to foot the bill for these medications. The *Junta* also decided to unilaterally undermine an all-party agreement not to implement competitive pension schemes among regions, and raised the payments received by the lowest-paid pensioners.

In sum, in a context of political 'fluidity' and alternation in central government, the PSOE started to regard the regional level as a more autonomous policy dimension and as an opportunity to elaborate and implement more distinctive and innovative policies, which could even contrast with the ones promoted by Madrid. This has become even more evident in recent years. Having lost the election in 2011 and facing a set of austerity policies promoted by the conservative government led by Rajoy, the Andalusian PSOE further underlined the importance of fully implementing the *Estatudo de Autonomia.* In its electoral programme for the 2012 regional election the PSOE saw the regional dimension as an opportunity to develop a distinctive social and economic model in Andalusia based on the principle of

concertación and cooperation between trade unions and employers organisations[61] and on the centrality of the public sector in welfare governance[62].

Conclusions

This chapter has sought to demonstrate that the main party of the Left, the PSOE, has had a rather ambiguous position on the process of decentralisation and on the creation of region-specific welfare regimes. On the one hand, it supported the process of federalisation of Spain after the collapse of the Francoist Regime. On the other, it has opposed excessive fragmentation and differentiation in social governance at the sub-state level. This is mainly due to the fact that this party has controlled the central government for most of the time since the transition to democracy. Over the years, the PSOE organisation has been subject to tensions between territorial pressures and the need to promote statewide redistribution and equalisation of social conditions. This has prevented the party from becoming the driver of welfare building at the sub-state level, while playing a central role in social policy-making at the statewide level.

[61] 'Frente a la imposición y falta de diálogo que caracteriza al PP, los y las socialistas de Andalucía vamos a garantizar la seña de identidad que el nuevo Estatuto de Autonomía para Andalucía imprime a la política económica: la concertación social con sindicatos y empresarios, un referente básico en la gobernanza de Andalucía.' (PSOE-Andalucia Electoral Programme, 2012: 110). http://www.psoealmeria.com/upload/archivo-Programa-electoral-Elecciones-Autonmicas-de-Andaluca-2012-4f55df701493c.pdf (date of access 29/09/2014).

[62] 'Nuestra sanidad pública está cimentada sobre el valor de lo público, sobre los principios de universalidad, equidad, solidaridad y financiación pública mediante el sistema fiscal, por lo que los socialistas andaluces rechazamos cualquier reforma que implique que los ciudadanos y ciudadanas tengan que volver a pagar por los servicios sanitarios que reciben.' (PSOE-Andalucia Electoral Programme, 2012: 133).

GREAT BRITAIN

Chapter 8
Devolution, the territorialisation of party politics, and the transformation of welfare governance in Great Britain

From unitary state to devolved state: the new governments of Scotland and Wales

Despite being a union of three nations – England, Scotland and Wales – Great Britain developed as a relatively centralised country, in which the Westminster Parliament gradually assumed a central role in most of the relevant policy making processes. This has produced some confusion over the designation of Great Britain (and United Kingdom) as a state. Indeed, until the devolution process, Great Britain could be considered as a 'unitary' state but also as a 'union' state and the term nation could refer to both Great Britain as a whole or to each constituent nationality. In 1969 a Royal Commission on the constitution was set up by Prime Minister Harold Wilson and chaired by Lord Kilbrandon. The commissioners stated that:

> The United Kingdom is a *unitary state* in economic as well as in political terms. It has, for example, a single currency and a banking system responsible to a single central bank. Its people enjoy a right of freedom of movement of trade, labour and capital and of settlement and establishment anywhere within the Kingdom. (Kilbrandon, 1973: 121).

Until the late 1990s political autonomy was not granted to any of the constituent nationalities of the Kingdom. Of course, as underlined by Mitchell (2009), the creation of Great Britain (and the UK) came about through the amalgamation of previously autonomous or separate entities: 'The manner in which these amalgamations occurred and the nature of the new political entities influenced future developments. Significantly the creation of the UK did not mean the eradication of its constituent elements' (Mitchell, 2009: 4). Thus through the establishment of the Scottish Office in 1892, Scotland enjoyed some administrative autonomy. The Scottish

Office allowed for the preservation of Scottish distinctiveness while maintaining the essential supremacy of the Parliament. Yet:

> [I]t remained an essentially nineteenth-century institution. Although it allowed for Scottish distinctiveness, it failed to cater for Scottish democracy in the sense that it remained accountable to Parliament at Westminster, a UK rather than Scottish forum (Ibid. 39).

Therefore, Scottish people could not make politically autonomous decisions and this prevented them from establishing policies and institutions that substantially diverged from the English ones. The situation was even less open to policy divergence in Wales, where 'the Welsh Office lacked autonomy in important respects, most notably financial, which placed limits on the degree to which policy differences were possible' (Ibid. 66). Generally, the political actors in the Scottish and Welsh offices were insulated from control and accountability since they answered only to Westminster, and these self-regulating elites were insulated from political control, as long as they stayed within the broad parameters of government policy (Keating, 2009b: 100).

In the pre-devolution period England had a very peculiar status because it was the 'core' of the British state but, at the same time, was recognised as a distinctive nation within the Union. Unlike Scotland and Wales, England never questioned the political supremacy of the Westminster Parliament, which in fact was often considered as the strongest symbol of English (and British) identity. Additionally, England is by far the largest constituent nation of the Union and some have suggested the existence of cultural, political and economic differences even within the English borders. Yet:

> [A] notable part of the rhetoric of Englishness in the twentieth century was the sense of cohesiveness, a refusal to countenance any significant political role for regions within England. Regional government was important in the provision of

> public services but this developed piecemeal. Occasional calls to recognise economic disparities allowed for the mobilisation of elite opinion but this was rarely linked to the case for elected regional bodies (Mitchell, 2009: 110)

Although some forms of 'administrative devolution' (Pilkington, 2002: 10) were in place at the beginning of the 20th century (with the creation of the Scottish and Welsh offices), Scotland and Wales were granted real political powers only in the late 1990s with the Devolution Reform. That reform was approved by the New Labour government after two referendums held in the two constituent nations. Legislative powers ('legislative devolution') were devolved to Scotland with the creation of the Scottish Parliament, which could make primary legislation in policy fields such as health care, social work, education and housing (Pilkington, 2002: 98). Scotland would be governed by a First Minister and a Scottish Executive (whose members are collectively referred to as 'the Scottish Ministers').

On the other hand, in Wales the new elected assembly, the Welsh Assembly, was not granted primary legislative powers. Thus Wales was given 'executive devolution', which can be defined as the 'transfer of various subordinate or secondary law making powers', whereas Scottish 'legislative devolution' implied 'the straightforward allocation of primary legislative functions' (Rawlings, 2005: 5). The Welsh Assembly Government had to bid for Welsh bills or clauses at Westminster, 'competing with Whitehall departments as it had no legislative powers' (Mitchell, 2009: 161). Yet the law making powers of the Welsh Assembly were increased after a referendum held in 2011. Additionally, unlike Scotland, there is no clear distinction between the Welsh executive and assembly. Indeed, the First Secretary of the Assembly has a prime ministerial role and is the leader of the majority party in the Assembly (Pilkington, 2002: 130).

Some minor differences between Scotland and Wales can also be noted in the devolution of public expenditure. In this case the 'comparability percentages' provided by Jeffery (2005: 31) can be used to see if public expenditure is fully

devolved to regional governments (the percentage is 100) or not (the percentage is 0). What emerges is that, for instance, health care spending is almost fully devolved to both Scotland and Wales. Scotland has more spending powers than Wales in the fields of education, culture, environment, transport, home office and legal departments, whereas Wales has more spending autonomy only in the field of local (i.e. sub-regional) government (Table 8.1).

Table 8.1. Comparability percentages (percentage of spending directly allocated by regional governments) for 2004 Spending Review

	Scotland	Wales
Forestry	100	100
Education and Skills	99.8	93.5
Health	99.5	99.5
Culture, Media, Sport	95.4	99.5
Local Government	65.7	100
Environment and Rural Affairs	85.2	80
Transport	71.3	63.8
Trade and Industry	18.6	18.6
Home Office	99.6	1.5
Work and Pensions	6.4	6.4
Legal Departments	96.1	0
Chancellor's departments	0.9	0.9
Cabinet Office	2	2

Source: Jeffery (2005: 31).

By using their Regional Authority Index, Hooghe et al. (2010) show that in the last two decades the increase in regional authority has been more significant in Scotland

than in Wales. In Scotland the Regional Authority Index has increased from 1 in 1980 to 16.5 in 2006 (the maximum is 24). Over the same period the RAI index has increased from 1 to 11.5 in Wales. The difference between the two regions/nations is due to the fact that Scotland enjoys more fiscal autonomy than Wales, although most of its policies are financed through grants transferred by the central government following the so-called Barnett formula[63] (Bell and Christie, 2007). Additionally, the policy scope of the Scottish government is broader. In Table 8.2 an overview of the two models of devolution developed in Scotland and Wales is presented by referring to the summary provided by McEwen and Parry (2005: 42). Needless to say, England was not included in the table because it has not been given any substantial devolved power and is still fully governed by the Westminster Parliament. English local authorities and municipalities just play an administrative role in some areas of social assistance, which do not have *systemic* impact on the welfare system.

[63] The Barnett Formula 'determines the *changes* in resources available to the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly based on a fixed share of any *changes* agreed between the Treasury and departments that operate in England (or in some cases England and Wales) in the value of "comparable programmes". Northern Ireland's allocation is based on GB expenditures. The share, which is updated regularly, is based on the size of the population in the relevant devolved authority as a percentage of that in England' (Trench and Christie, 2007: 74).

Table 8.2. Models of devolution and policy making in Scotland and Wales

	Scotland	Wales
Institutional design	Conventional Westminster style legislature and executive (Scottish parliament and Scottish executive)	Single corporate body fusing legislature and executive (National Assembly for Wales), but de facto separation into 'Presiding Office' of the Assembly and the 'Welsh Assembly government'
Legislative powers	General legislative competence in non-reserved areas, inc. education, health, housing and personal social services, but exc. income maintenance and benefits	No primary legislative competence, but can issue secondary orders under specific statutory powers in non-reserved areas including education and health
Fiscal powers	Budgetary freedom within block grant and limited powers to vary income tax; tax and benefit structure reserved	Budgetary freedom within block grant; no powers to vary income tax
Civil service	Civil servants part of the Home Civil Service; autonomy on pay and recruitment for non-senior grades as enjoyed by UK departments	Civil servants part of the Home Civil Service; autonomy on pay and recruitment for non-senior grades as enjoyed by UK departments

Source: McEwen and Parry (2005: 42)

The structure of the rest of this chapter is different from the introductory chapters on Spain and Italy due to the absence of an 'exploratory' quantitative analysis[64]. In the next section, I link the territorial dimension and the devolution process to the transformation and restructuring of the British welfare system. Then I outline the political context in which institutional decentralisation emerged. First, I consider territorial mobilisation and the way it has affected the territorial reconfiguration of the British state. Second, I consider the role that the Left has played at the sub-state and statewide levels and how the Labour Party has changed its attitude towards

[64] Since the focus is on Scotland, Wales, and England it is not possible to perform quantitative analysis.

decentralisation in Scotland and Wales. Finally, I provide a general assessment of the level of sub-state welfare development in Scotland, Wales and England since the beginning of the devolution process. This preliminary overview is the basis for a more in-depth analysis of the Scottish and Welsh cases in which I consider the effects of both territorial and left-wing mobilisations on regional welfare building.

The welfare state of the UK: between functional and territorial restructuring

The British welfare system has often been classified as 'liberal' (Esping-Andersen, 1990) or market-oriented (Kazepov, 2010: 52). Yet this classification is too 'static' and does not acknowledge the fact that the social policy of Great Britain has followed a more dynamic trajectory, since it evolved (or, rather, regressed) from a *universalist* and *institutional redistributive* model to a *residual* or *liberal* welfare model (Flora 1986).

As underlined by Esping-Andersen, the starting point for liberal welfare regimes is the *poverty question* and this results in means-tested, rather than universalist or social status conserving, social schemes. Yet in the post-war period, important elements of universalism were introduced in the British social model with the so called 'Beveridge Plan' which established the introduction of a state guaranteed minimum standard of living for everyone, the introduction of the National Health Service (NHS), and a national policy for full employment (Kaufmann, 2013: 109). Thus, although Great Britain remained a liberal welfare regime with modest cash benefits, private pensions, and reliance on means-tested provisions, the post-war reforms 'helped to create a sense of *British* social citizenship existing beyond regional and class divisions' (Béland and Lecours, 2008: 107).

The expansion of British welfare also had territorial implications. As underlined by McEwen and Parry (2005: 44):

> [T]he post-war welfare state established a new set of institutions which could serve a symbolic purpose in underlining the boundaries and identity of the United

> Kingdom as a nation, as well as a state. The Labour government had emerged from 'the people's war' with the pledge to build a 'people's place' [...], and many of the institutions of the welfare state implicitly reinforced their *national* character.

Thus the construction of the British Welfare system in the post-war period enhanced the institutional significance of the central governments and promoted the idea of a British national community 'sharing burdens, risks and security' (Ibid.: 45). In particular, the NHS became one of the most important symbols of national identity and unity – one may even say pride – across the whole British territory.

During the long period of Conservative government between 1979 and 1997, a new neoliberal agenda sought to reduce social expenditure and redistribution. The retrenchment of the universalistic welfare system established in the post-war period faced considerable institutional and political barriers and policy outcomes were less significant than retrenchment rhetoric (Pierson, 1994). Yet Thatcher's policies had an effect on territorial politics and strengthened the demands of Scotland and Wales for more autonomy. Indeed Margaret Thatcher and her successor, John Major, not only promoted a restructuring of redistributive policies, which would negatively affect the poorer regions of the country (including Scotland and Wales) but they were also hostile to the political expression of the multinational nature of the UK in any form of legislative devolution (McEwen and Parry, 2005: 47). Welfare retrenchment therefore had territorial consequences. The Thatcher era strengthened the link between left-wing mobilisation against welfare retrenchment and territorial mobilisation against the centralising ambitions of the Conservative government. Additionally, it involuntarily contributed to opening a debate on the need to grant Scottish and Welsh nationalities the right to make political decisions about their preferred social models.

When the New Labour government won the election in 1997, it followed the same path as its predecessors in terms of welfare and economic policies (Jenkins

2006). Tony Blair believed that state intervention and Keynesian policies belonged to the past and the new government 'was convinced of the virtues of new public management and a market- and consumerist-driven notion of public sector delivery' (McEwen and Parry, 2005: 49). Yet this model was applied only to England and New Labour also acknowledged the different political aspirations of Scotland and Wales in which there was a strong social-democratic consensus (Greer, 2004).

The original intention lying behind devolution was to maintain a single welfare state, while allowing relatively minor variations in policymaking and implementation by the developed administrations. In fact, over the last fifteen years it has become increasingly evident that, although devolved institutions may be limited to being spending agencies rather than fully-fledged governments with fiscal and financial responsibility to match their legal powers, 'those powers are sufficiently extensive that they can use them to create different sets of benefits from the welfare state' (Trench, 2009: 125). Thus the devolution process that started in 1998 introduced the possibility of increasing policy divergence. For instance, talking about health policy in the age of devolution, Greer (2013: 81) has argued that:

> Health policy is experiencing a curious double movement. On the one hand, in what it was long considered a highly centralized unitary state, the central UK government is showing steadily less interest in the health policies and outcomes of devolved Northern Ireland, Scotland and Wales. And on the other hand, within England and the individual devolved health systems, policymakers have created increasingly centralized systems that aspire to dislodge doctors and local boards from their positions of importance.

This also suggests that a new 'regional centralism' has replaced statewide centralism in health care governance. Devolved governments of Scotland and Wales have also assumed a central role in policy making and management of other social services

such as childcare and elderly care (Greer, 2004: 45; Trench and Jarman, 2007: 115–116).

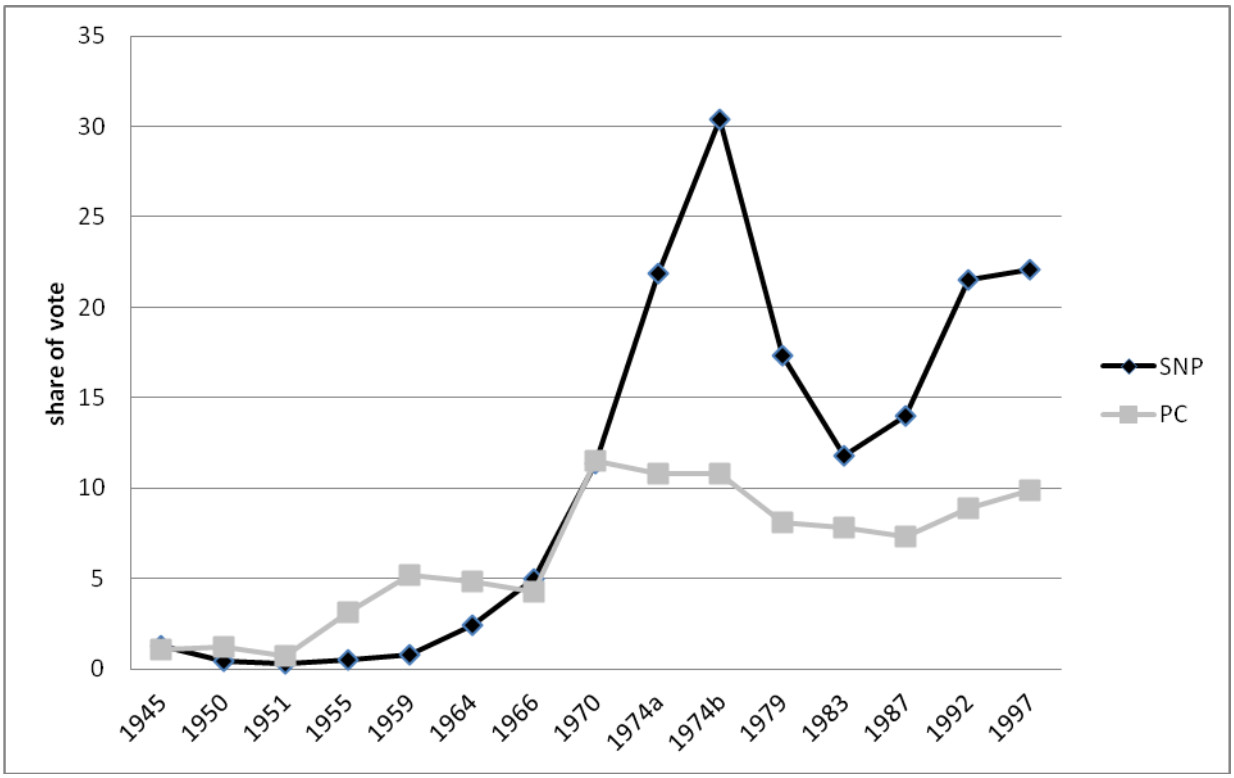
For these reasons, today it is no longer possible to talk about a British welfare system, since important areas of social policy have been devolved to the governments of Scotland and Wales. The following chapters try to address the way in which territorial and left-wing mobilisations have shaped new models of sub-state welfare in Scotland and Wales. Yet before moving to the case-specific chapters I present a brief overview of how centre-periphery and left-right cleavages developed in Great Britain and how they related to the devolution process. Following this analysis I provide a general assessment of the *level* of development of sub-state welfare models after devolution.

The rise of regionalist parties in Scotland and Wales and its effect on the devolution process

As mentioned in the previous section, during the Thatcher years territorial movements and parties, which sought to oppose the centralising ambitions of Westminster, strengthened and consolidated their role in the British political debate. Yet it should be underlined that the rise of territorial and regionalist parties occurred in the 1970s when the UK experienced a period of political and economic instability. As shown in Figure 8.1, until the late 1960s neither the Scottish Nationalist Party (SNP) nor Plaid Cymru (PC), the main regionalist parties of Scotland and Wales, managed to obtain more than 5 per cent of the vote in their constituencies. In the general elections of 1970 and 1974 the two parties made their electoral breakthrough. Particularly in 1974 the SNP challenged the primacy of Labour and Conservative parties in Scotland. A first election took place in February when the SNP doubled its share of the vote and obtained seven seats (in the previous election it had obtained only one seat). This election did not produce a clear majority in the Westminster

parliament (hung parliament) and another election had to be called in October of the same year. On this occasion, the SNP further improved its result obtaining 30.4 per cent of the Scottish vote against 24.7 per cent of the vote for the Conservative and 36.3 for the Labour Party. Plaid Cymru experienced a less sudden and dramatic increase in electoral support, although it also became an important political actor in Wales at the beginning of the 1970s.

Figure 8.1. The share of vote for Scottish National Party and Plaid Cymru in Scotland and Wales between 1945 and 1997

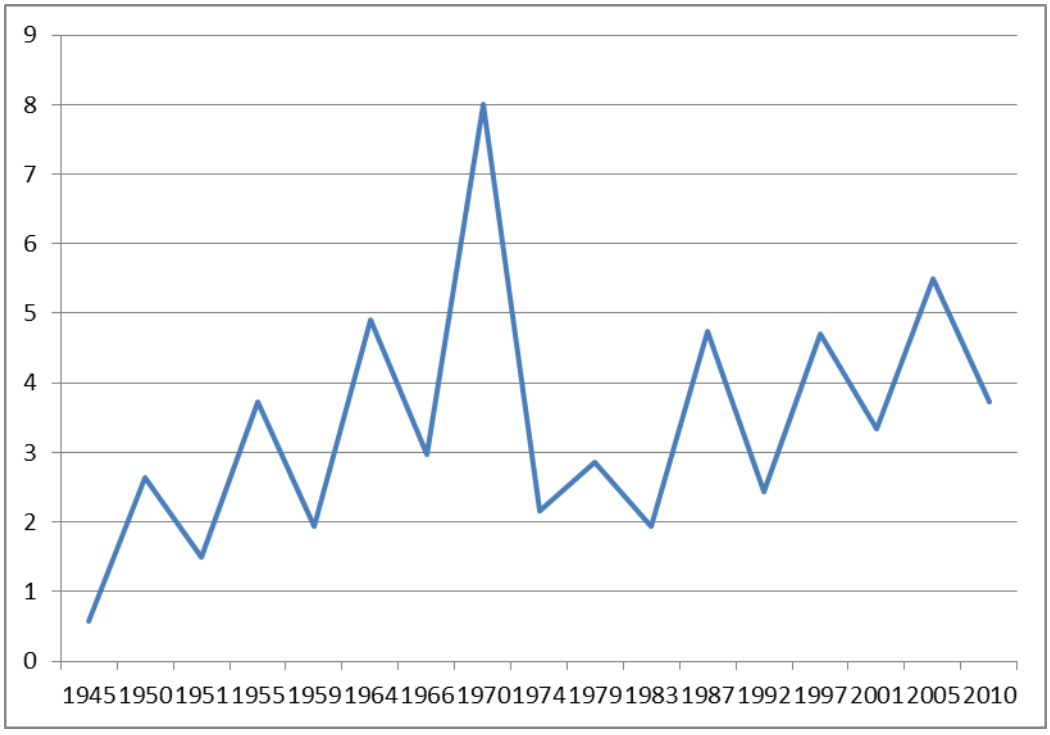


UK election statistics
http://www.parliament.uk/documents/commons/lib/research/rp2003/rp03-059.pdf

The strengthening of territorial movements in Scotland and Wales had important implications in national politics. As shown in Figure 8.2, the saliency of issues related to decentralisation and centralisation was not very high in the post-war period, particularly in the period from 1945 to 1959. Yet it increased substantially in the early

1970s as a consequence of increasing territorial mobilisation and, with some ups and downs, it has remained higher than in the pre-1970s period.

Figure 8.2. The saliency[65] of decentralisation and centralisation issues in Great Britain from 1945 to 2010



Source: Volkens et al. (2013). Author's own calculation.

Pressed by the increasing demands for autonomy coming from Scotland and Wales, the British Government decided to promote two bills, the Scotland and Wales Acts, which introduced some measures of self-government in Scotland and Wales through the creation of elective assemblies in both regions. The Scottish assembly would have been a true legislature, with functions in a significant number of defined areas, whereas the Welsh assembly would have mainly had executive powers working through committees (Trench, 2007:5). The bills, however, did not 'affect the unity of the United Kingdom or the supreme authority of the Parliament to make laws for the United Kingdom or any part of it' (Clause I of Scotland and Wales acts quoted in

[65] See Chapter 4 for measurement of saliency.

Bogdanor [1979: 164]). At the same time, it is important to note that no provision for England or English regions was proposed, since most English MPs were hostile to any form of devolution or regionalisation (Bogdanor, 1979: 206) and sub-state territorial movements were absent in the core nation of the United Kingdom.

Both the Scottish and Welsh Acts included a requirement for post-legislative referendum, which needed to receive the support of more than 40 per cent of the total registered electorate. The referendums took place in 1979 and they were rejected in both regions. As shown in Table 8.3, in Scotland the Yes vote obtained slightly more than 50 per cent of the vote. Yet, the percentage of registered electorate that supported the referendum was below 40 per cent and the referendum did not pass. In Wales the result was even less in favour of devolution with an overwhelming majority of voters (almost 80 per cent) voting against the Wales Act. To quote Vernon Bogdanor, one of the most important scholars of British constitutional reforms, 'this result destroyed the credibility of devolution' (Bogdanor, 2001: 190).

The results of the 1979 referendums also pointed to the significant differences in territorial mobilisation existing in Scotland and Wales. Whereas in the former there was a large share of the electorate demanding more autonomy, in the latter the pro-devolution voters were a clear minority. This discrepancy in the intensity of preferences for devolution was also reflected by the higher electoral success of the SNP in comparison with Plaid Cymru.

Referendums also took place in 1997 when the newly elected Labour government approved two acts devolving powers to Scotland and Wales. On this occasion no threshold of registered voters was set and the referendums passed in both regions. Yet it should be underlined that, as shown in Table 8.3, whereas in Scotland an overwhelming majority of voters supported the devolution process (74.3%), in Wales devolution was approved by only a very slight majority (50.3%). Additionally, turnout was significantly higher in Scotland (60.2%) than in Wales

(50.1%). Therefore, although support for devolution has substantially increased in both regions/nations, it has remained much higher in Scotland than in Wales.

Table 8.3. Referendum Results in Scotland and Wales in 1979 and 1997 (percentage)

	Scotland		**Wales**	
	1979	**1998**	**1979**	**1998**
Yes	51.6	74.3	20.3	50.3
No	48.4	25.7	79.7	49.7
Turnout	63	60.2	58.3	50.1

Source: Dewdley (1997).

The asymmetrical nature of British devolution strongly reflects the differences in demands for autonomy (or even independence) coming from the constituent nations of the Union. The strongest demand for autonomy has come from Scotland and this has resulted in higher levels of regional authority, as shown in the introduction of this chapter. In Wales territorial mobilisation has been weaker and this explains why the level of autonomy granted to Welsh regional institutions is lower. Additionally, social policy was more strongly linked to the devolution process in Scotland than in Wales (Surridge et al. 1998). By referring to pre-devolution polls, McEwen has underlined that the key factor strengthening the support for devolution in Scotland was the expectation that it would 'improve the wealth and welfare of the people of Scotland' (McEwen, 2002: 79). On the other hand, Welsh territorial movements traditionally placed more emphasis on cultural issues, the most important one being the protection of the Welsh language. Only when it became clear that such issues were not appealing to the broader Welsh electorate did Plaid Cymru and pro-devolution campaigners start discussing the importance of creating a sub-state model of welfare that would promote openness, innovation and inclusiveness (Mooney and Williams, 2006: 610).

In England the almost total absence of territorial mobilisation[66] has prevented the creation of any regional institution. Indeed, English regionalism was often called the 'dog that didn't bark', meaning that, unlike other movements for political devolution in the UK, the English movement for devolution was 'not very vocal' (Deacon and Sandry, 2007: 20). Before winning the election, New Labour promised that they would 'introduce legislation to allow the people, region by region [in England], to decide in a referendum whether they want directly elected regional government' (Labour Party 1997). The process of regionalisation in England was meant to be a 'quiet regional revolution' (Tomaney and Hetherington, 2004: 121). According to Amin et al. (2003), the reform was so moderate that it would leave the London elite intact as a 'classic centre of control'. In any case, these timid attempts to introduce small changes in the territorial distribution of power in England were interrupted abruptly in 2004, when the establishment of a regional assembly in the North East region (which was thought to be the most pro-devolution area) was heavily rejected in a referendum: 78 per cent voted 'No' in a turnout of 48 per cent (Mitchell, 2009: 210).

In sum, in Great Britain the asymmetrical nature of institutional decentralisation has been primarily driven by territorial mobilisation. In this respect, British devolution is very different from Italian regionalisation, which has been a top down, rigid process granting the same formal autonomy to Lombardy and Latium even though the demands for autonomy were much stronger in the former than in the latter. It is also quite different from Spain, where the central government has tried to counterbalance the demands for self-government coming from sub-state nationalities by devolving some competencies and creating representative institutions even in those regions with no territorial identity.

[66] A partial exception can be found in Cornwall, where a 'Cornish nationalist' movement has campaigned for devolution (Jones and MacLeod 2004). Yet, no party has ever managed to obtain significant local or national representation.

The Labour Party and the challenge of devolution

At the time of its foundation, at the beginning of the 20th century, the Labour Party was not hostile to processes of political devolution. This is because it had needed to compete with the Liberals, which, for instance, were supporters of Home Rule for Scotland. Yet this initial commitment steadily dissipated as Labour replaced the Liberals as Britain's main 'progressive' party from the 1920s onwards. Thus, 'Labour rapidly adopted a centralist approach to governing – a national, rather than nationalist, perspective – whereby it both portrayed and perceived itself as a Party and (when in Office) a government for the whole United Kingdom' (Dorey, 2008: 203). Therefore, even though the Labour Party continued to represent the interests of the periphery – Scotland, Wales, but also the north of England, by the mid 1920s it had become a 'centralising party' that sought to help peripheral regions by relying on nationalisation and centralised economic planning (Bogdanor, 2001: 167).

Volkens et al. (2013) have provided data on parties' attitudes towards decentralisation by performing a content analysis of their manifestoes. Support for decentralisation is measured by subtracting the percentage of semi-sentences against decentralisation or in favour of centralisation (code 302) from the percentage of semi-sentences in favour of decentralisation. Also these data suggest that in the post-war period the Labour Party was a centralist political force (Table 8.4). Indeed in the 1950s and 1960s, both Liberals and Conservatives seemed to have had more positive attitudes towards devolution than Labour. In this period the Labour Party came to believe that the establishment of a universal welfare system and effective social policies also required centralisation. Therefore benefits should depend on need and not on geography. In a debate on devolution, the Labour MP Colin Phipps stated that

'the underprivileged child in Eastbourne is as important as the child in Glasgow'[67]. In sum:

> For most of the post-war period, there was a cross-party consensus on the acceptance of the Welfare State and its ideals of uniformity and symmetry of welfare provision across the territory. The Labour Party in Scotland and Wales were strongly in favour of this and [...] many of their members originally opposed devolution on the grounds that it might endanger its consensus and the benefits their societies [...] received from it. (Loughlin, 2011: 48).

This situation changed significantly in the 1970s, when the challenge of territorial movements in two Labour strongholds, Scotland and Wales, forced the Labour Party to change its position on devolution issues. Indeed, both the SNP and Plaid Cymru gradually positioned themselves to the left of the political spectrum (Massetti, 2011: 41). Particularly the SNP threatened the primacy of the Labour Party in Scotland and, as underlined by Brand (1987: 4), 'if the SNP replaced Labour as majority party in Scotland, the probability of Labour forming a British government would be seriously diminished'.

The pro-decentralisation position of the Labour Party remained rather strong in the 1980s and 1990s during the long opposition to the government led by the Conservative Party, which instead became a centralising political force (Table 8.4). This explains why, once in power at the end of the 1990s, the Labour Party implemented important devolution reforms. Yet it should be noted that Labour support for decentralisation decreased substantially once the party consolidated its control of the national government. Indeed, in the 2000s both the Liberal-Democrats and Conservatives placed more emphasis than Labour on the promotion of decentralisation policies.

[67] House of Commons Debates, 5th series, vol. 885, col. 1031, 3 Feb. 1975. Quoted in Bogdanor (2001: 169).

Table 8.4. The three main parties of Great Britain and their support for decentralisation by decade

	1940s	1950s	1960s	1970s	1980s	1990s	2000s
Labour	0.9	1.15	1.35	4.6	2.8	4.35	3.1
LibDem	0.8	3	6	5.5	4.45	3.85	3.7
Conservative	0	2.1	2.05	1.9	1.15	2.2	5.5

Source: Volkens et al. (2013). Author's own calculation.

Changes in the attitudes towards decentralisation are also reflected in changes in the internal organisation of the Labour Party. After its foundation the Labour Party followed the model of the Trade Unions and adopted a centralised organisation. As pointed out by McKibbin (1974: 241–242):

> Like the unions the Labour Party was national in its organisation and centralised in its institutions. It deliberately over-rode regional boundaries and local interests [...]. In its formal organisation, the Party had consistently imitated the great unions. With its national executive secretariat and pyramidal structure it was (and is) quite unlike any other British Party.

However, the increasing saliency of the centre-periphery cleavage and, after 1997, the devolution process have produced some organisational adjustments within the Labour Party. The Scottish and Welsh branches of the Party have become more important in terms of policy elaboration, staffing and, quite importantly, candidate and leadership selection (Bradbury et al. 2000). Yet if on the one hand Welsh and Scottish party branches have increased their autonomy, on the other hand they are weakly represented in central office. Indeed, in the late 2000s the British Labour party was the only party than did 'not provide for any representation of its Scottish and Welsh parties on its National Executive Office' (Fabre and Méndez-Lago, 2009: 105). Therefore, New Labour was a party in which relatively high autonomy of regional branches was combined with their low integration in statewide decision-making bodies (Fabre, 2010: 360). 'Centrally the party's response to devolution has

been ad hoc piecemeal' (Laffin et al., 2007a: 207). This 'ambiguous' situation has resulted in tensions between sub-state and statewide party offices, particularly in the period in which the Labour Party controlled both central government and the devolved governments of Scotland and Wales.

Despite promoting the process of devolution in the late 1990s, the Labour Party did not seem unambiguously inclined to accept the emergence and strengthening of competing models of welfare at the sub-state level. Indeed, even after devolution, the Labour Party did not renounce its traditional idea of promoting a *British* system of welfare. The report published by the Blair government in 1998 *Bringing Britain Together: A National Strategy for Neighbourhood Renewal*[68] still showed Labour's 'continuing interest to mobilize British national terminology and signifiers – even if this was an England-specific policy' (Mooney and Williams, 2006: 615). Powell (2009: 172) argues that Labour has displayed 'a Janus-face over national and local services'. Indeed, while it argues for devolution, decentralisation and the 'new localism' on the one hand, the Labour Party has increased the 'national-ness' of the NHS on the other. The persistence of centralising pressures became clear when Labour introduced the national service frameworks (NSFs) and the National Institute for Clinical excellence NICE, in order to increase the 'national-ness' of the service and reduce the 'postcode lottery' problem. Contradictions and inconsistencies also emerged in the governance of social policies in Scotland and Wales after devolution.

Before moving to the next section it is worth considering the case of England, where the Labour Party was not challenged by territorial movements. As underlined by Dorey (2008: 281–282):

> [A]lthough the Labour Party has periodically felt obliged to respond (however reluctantly or desultorily) to demands for devolution emanating from Scotland and Wales, there has been no such electoral imperative or public pressure in England,

[68] The report can be found at http://www.lgcplus.com/bringing-britain-together-a-national-strategy-for-neighbourhood-renewal/1450297.article (date of access 27/08/2014).

> and as a consequence, English regionalism has remained the 'poor relation' of Labour's approach to devolution.

In the post-war period, the regional dimension in England was acknowledged by the Labour Party only for economic reasons. Regions could be good arenas for the promotion of economic regeneration and industrial expansion in economically depressed or socially deprived areas of Britain. Yet most Labour politicians supported the idea that the promotion of regional development should be state-directed and centrally planned. Weak forms of administrative devolution should therefore be linked to a strong central government, which would distribute resources and plan statewide social programmes. This position did not change substantially in the 1960s and 1970s. In the 1980s, when Labour was excluded from central government, new proposals for an 'alternative regional strategy' (Prescott 1982) were made by some sectors of the Labour leadership. Yet the majority of Labour MPs and Shadow Ministers deemed these regionalist plans 'to be of low political and electoral salience [...] and as such, English regionalism languished way down Labour's policy agenda' (Dorey, 2007: 293).

Things changed slightly in the 1990s when the Labour Party underwent an important process of political renewal. Yet also in this case the support for an elected regional government in England was very moderate:

> Demand for directly elected regional government so varies across England that it would be wrong to impose a uniform system. In time we will introduce legislation to allow the people, region by region, to decide in a referendum whether they want directly elected regional government. Only where popular consent is established will arrangements be made for elected regional assemblies. (Labour Party 1997, quoted in Daile: 377)

Yet, as shown in the previous section, regional autonomy was rejected in the first referendum held in 2004 in the North East region, which was one of the Labour Party

strongholds and was thought to be the most supportive of devolution. This completely stopped the process of regionalisation in England and prevented the emergence of sub-state centres of political power that could promote region-specific policies.

Assessing the level of development of sub-state welfare systems in post-devolution Great Britain

Before moving to the case specific chapters, I provide a general assessment of the level of development of sub-state models in Scotland, Wales, and England. This assessment is based on the three-dimensional measure of welfare development that includes spending, legislation and implementation of social schemes. Of course, the low number of regional case studies in Great Britain (only three if we consider Scotland, Wales and England) does not allow for a quantitative analysis as has been offered in the Italian and Spanish cases.

Spending

In terms of welfare generosity, figures suggest that since 1999 Scotland has had the highest level of spending in the sectors of health and personal social services, which are under the control of devolved governments. The data provided by Birrell and summarised in Table 5 show that both Scotland and Wales have promoted a much more generous social system than England. Although the amount of English spending is indicated in the table, it should be underlined that the figure does not refer to 'regional' spending since there are no regional authorities with spending powers in the field of health care and social assistance in England. Local authorities, such as 'unitary authority councils', 'metropolitan borough councils', 'London borough councils' and 'county councils', have some spending power and have some welfare functions but, as shown in the next section, their spending is not supported by a sub-state legislative framework. Generally, they are institutional entities that are

simply too small to promote the emergence of autonomous models of welfare with highly distinctive characteristics. Additionally, since the Thatcher era the role of English local authorities has been significantly reduced through a process of (re)centralisation, which was then intensified with the introduction, during the New Labour government, of the central government's performance, indicator-based, top-down 'performance management' (Wollmann, 2004: 646). This process seems to have particularly affected 'elected local government', which have also been increasingly replaced by 'non-elected (single purpose) bodies and (single purpose) service providers' (Ibid. 662)

Table 8.5. Expenditure on health and personal social services per head in Scotland, Wales, and England

	1999	**2006-2007**	**Average**	**0-1 score**
Scotland	1,197	2,313	1,755	1
Wales	1,116	2,096	1,606	0.92
England	963	1,915	1439	0.81

Source: Birrell, 2009: 162.

Legislation

As mentioned above, in the case of England the score assigned to sub-state legislation is 0 because no piece of social legislation has been approved by sub-state authorities. Again, Scotland has the highest score (1) because since 1999, having primary legislative powers, it has approved a large number of laws[69] on social care, housing, and health care, some of which will be discussed in detail in the following chapter. Lastly, Wales could not approve primary legislation until the 2011 referendum and had to agree with the British parliament in order to introduce moderate changes in social governance. However, with the 2011 referendum Wales

[69] All passed laws can be found at http://www.legislation.gov.uk.

was also granted primary legislative powers in devolved areas. Thus, for instance, in 2014 the Welsh assembly could pass an Assembly Act on 'Social Services and Well-Being', which reformed and integrated the system of social services in Wales. I therefore assign half a point to Welsh social legislation.

Implementation

Various data regarding the coverage, efficiency and quality of health and social services can be used to estimate to what extent social schemes are effectively and extensively implemented in Scotland, Wales, and England. Table 8.6 includes data on the number of GPs, hospital beds, and hospital staff per 100,000 inhabitants, cost-weighted activity (which measures the efficiency of the system), and quality of health care. The table also includes data on childcare (children looked after by local authorities) and elderly care (care home places and domiciliary care). Scotland scores better than the other two nations on seven out of ten indicators. In particular, Scotland seems to have better performances than Wales and England in the number of hospital staff, hospital beds, childcare and in the overall quality of the health system as measured by the Quality of Governance survey. Wales has the largest number of emergency admissions per 100,000 inhabitants and the largest number of care home places per 1,000 inhabitants aged above 65. Lastly, England has the highest cost-weighted activity per hospital medical staff member. This latter figure seems consistent with the more market-oriented model of welfare adopted in England, which aims to minimise costs and improve productivity.

What emerges from this preliminary assessment is that, overall, implementation of health and social policies seems to be more developed in Scotland than in Wales and England. However, differences seem much less significant than across Italian or Spanish regions (although some indicators used to assess cross-regional differences are country-specific).

Table 8.6. Implementation of health and social services in Scotland, Wales, and England

	Number of GPs per 100,000 people*		Number of medical hospital staff per 100,000 people*		Number of nursing, midwifery and health visiting staff and non-clinical hospital staff per 100,000 people*		Cost-weighted activity per hospital medical staff member (£000s) (measure of efficiency)*		Hospital Beds per 100,000 people*		Emergency admissions per 100,000 people *		Quality of Health Care (score from QoG questionnaire)**		Children looked after by local authorities per 10,000 people***		Care home places per 1,000, population 65+****		Local Authority Domiciliary care per 1,000 population 65+****		Sum of IS	Final 0-1 score
	OS+	**IS++**	**OS**	**IS**	**OS**	**IS**	**OS**	**IS**	**OS**	**IS**	**OS**	**IS**	**OS**	**IS**	**OS**	**IS**	**OS**	**IS**	**OS**	**IS**		
Scotland	80	1	217	1	1921	1	179	0.75	500	1	9917	0.86	1.7	1	146	1	44	0.96	81	1	8.57	**1**
Wales	65	0.81	184	0.85	1799	0.94	219	0.92	440	0.88	11471	1	0.9	0.53	74	0.51	46	1	78	0.96	7.89	**0.92**
England	70	0.89	181	0.83	1450	0.75	238	1	310	0.62	9994	0.87	1.2	0.71	55	0.71	43	0.93	58	0.72	7.32	**0.85**

+ OS= Original Score; ++ IS= Score rescaled to 0-1 index.

*Data provided by National Audit Office (2012) http://www.nao.org.uk/wp-content/uploads/2012/06/1213192.pdf (date of access 21/08/2014).

**Data provided by Charron et al. (2014). They can be found at http://www.qog.pol.gu.se/data/datadownloads/qogeuregionaldata/ (date of access 21/08/2014).

*** Data provided by UK Statistics Authority and can be found at http://www.scotland.gov.uk/Topics/Statistics/Browse/Children/socialservicestats (date of access 21/08/2014).

**** Data provided by Bell (2010).

Overall development of sub-state welfare models

The multiplicative index is now used to assess the general development of sub-state models of welfare in Scotland, Wales and England (Table 8.7). Since England does not have a regional administration that produces sub-state legislation, its overall score of sub-state welfare development is 0. The absence of institutional devolution in England, which is a pre-condition for territorial policy divergence, means that today the social model existing in England coincides with the British social model described by welfare literature, which focuses on the 'nation-state' as the main level of analysis. The liberal, market-oriented model promoted and strengthened by the Conservative governments in the 1980s and 1990s has not been substantially changed in the Labour era. Generally, in England, *policy outcomes in social policy carry on from statewide, pre-devolution legacies*. As pointed out by Greer (2004: 126), 'English experience since devolution [...] provides strong, suggestive evidence that the old "UK" policy community, like the "UK" departments and "UK" Parliament, is an English, metropolitan social institution'. Therefore today, rather than talking about a UK-wide social model, it would be more correct to talk about an English welfare system since, as I show in the next two chapters, distinctive social policies have been promoted and implemented in Scotland and Wales since the beginning of the devolution process.

Scotland is the best performing on all three dimensions and therefore it obtains the score 1. On the other hand, Wales has an intermediate score of 0.42. This suggests that sub-state welfare development has been much stronger in Scotland than in Wales. These differences have emerged despite the fact that both Scotland and Wales are 'peripheral' regions, considerably smaller than England, and, therefore, both potentially subject to externalities coming from decision making in Westminster (Keating 2012). Moreover, both regions have traditionally been less socio-economically developed than England (although significant differences in

terms of social needs and demographic characteristics also exist across the English regions [Ross Mackay 2001]).

The argument of this study is that divergence in the level of development of sub-state welfare systems in Great Britain is primarily due to the effect that different levels of territorial mobilisation (higher in Scotland than in Wales) have had on the institutional autonomy of devolved administrations. In particular, the government of Scotland has been able to obtain more legislative and financial tools than the Welsh government and, consequently, it could rely on such tools to advance its project of sub-state welfare building.

Table 8.7. Development of *sub-state* welfare systems in Scotland, Wales, and England

	Spending	Legislation	Implementation	**Overall**
Scotland	1	1	1	**1**
Wales	0.92	0.5	0.92	**0.42**
England	0.81	0	0.85	**0**

The next chapters show in more detail how territorial mobilisation, interacting with left-wing mobilisation, has shaped the politics of welfare in Scotland and Wales. Moreover, they provide more information on the qualitative differences between the British (or, more correctly, English) liberal model of welfare and the more social-democratic, public-oriented models that are emerging, albeit at different paces, in Scotland and Wales.

Chapter 9

Scotland: where territorial politics and social democracy meet

Converging paths of territorial and left-wing mobilisations in Scotland

Mitchell (2009: 9) has underlined that 'the union of Scotland and England involved the creation of a new state without the eradication of pre-existing nations'. Therefore, Scotland was allowed to keep some of its traditional institutions and norms. Yet in the 20th century, processes of economic and political centralisation substantially reduced the autonomy of Scottish political actors. Strong standardising pressures and the increasing scope of government intervention, particularly in the field of social policy, tended to reduce the peculiarity of Scottish institutions and policies. Thus the autonomy of the Scottish Office and Secretary of State was limited to matters, such as the reform of local government, 'where English ministers did not particularly care what happened in Scotland, and where there seemed no implications for policies across the border' (Bogdanor, 1999: 113). In the words of a former Scottish Office civil servant:

> It was [...] possible to create a semblance of Scottish distinctiveness and autonomy which went beyond the reality. The same process made it possible to enforce uniformity, or near uniformity, beyond what was necessary or desirable, when there seemed a risk that a distinctive Scottish line might raise embarrassing questions for another Minister concerned with the same field of policy elsewhere (Ross, 1981: 9).

Centralisation and processes of homogenisation were increasingly opposed by territorial movements and, particularly by the Scottish National Party (SNP). The first organisation to demand the complete independence of Scotland was the Scots National League (SNL), which was founded in 1919 and merged with the Scottish Home Rule Association (SHRA) in 1928 to form the National Party of Scotland (Newell, 1998: 106). Eventually that political movement evolved into the SNP in 1934. Yet the first electoral breakthroughs of the Party occurred in the 1960s when the

support for the two statewide parties, the Conservative Party and the Labour Party, started to decline. As shown in the previous chapter, in the 1970s the SNP obtained its best results and this also resulted in the first attempts to promote some forms of political devolution.

Immediately after its foundation the SNP did not have a clear ideological stance and, in fact, it emphasised its inclusive nature as a 'broad church'. However, already in the 1960s the party had started to define itself as 'left-of-centre'. During the Thatcher era, although there was still resistance within the party to defining the SNP as 'leftist', the social-democratic identity of the party was further strengthened. According to McEwen (2006), the *diminished scope of the British welfare state* was central to the resurgence of sub-state nationalism. The process of welfare retrenchment (or restructuring) promoted by the Conservative government not only challenged the idea of UK-wide social solidarity and the role of central government as a driver of redistribution but also influenced the position of the SNP on the left-right scale. Indeed, the campaigns for devolution and constitutional change promoted by the Scottish territorial movement mainly 'took place against the backdrop of welfare retrenchment' (McEwen, 2006: 15).

The shift of the SNP to the left is also explained by Lynch (2009: 620) in terms of changing dynamics of party competition in Scotland. Indeed:

> [T]he adoption of an ideological position was not always uncontroversial but became easier due to party system change (the electoral decline of the Conservatives in Scotland from the 1960s), as the SNP came to focus much of its attention on Labour as its primary competitor. This strategy became successful in the 1980s and 1990s as voters began to recognize the SNP as a left-of-centre party, with quite similar policy preferences to Labour.

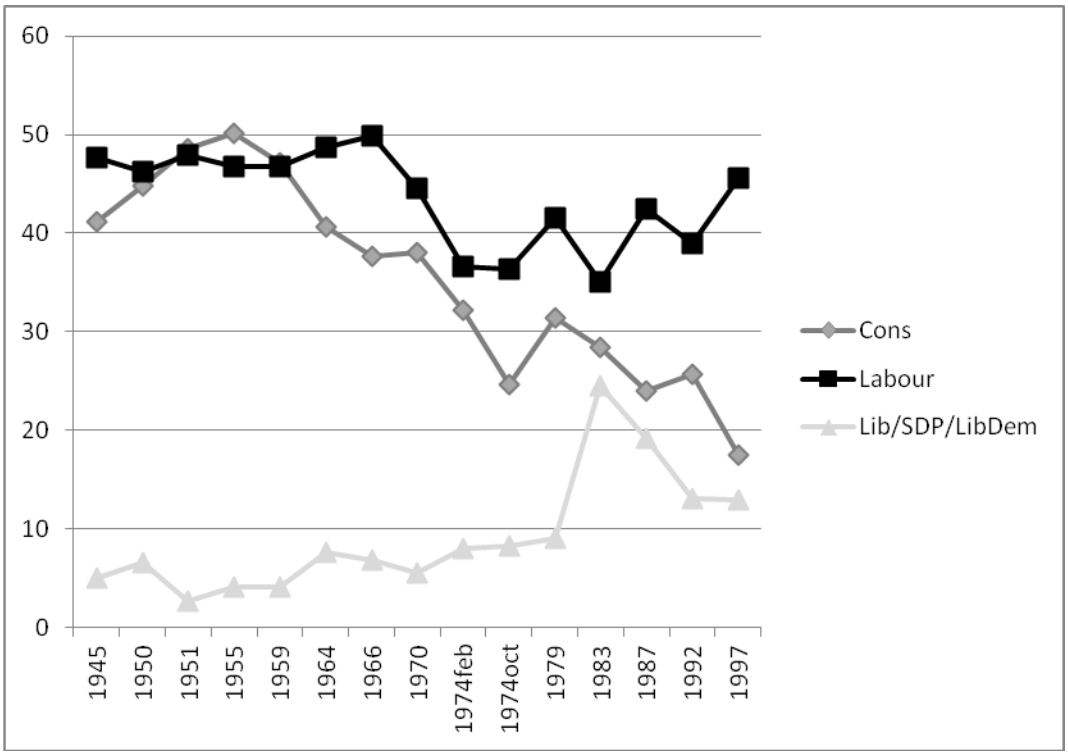
The election of 'the self-confessed socialist' Alex Salmond as party leader in 1990 shifted the party firmly to the left. 'SNP policies under Salmond included a commitment to nuclear disarmament and progressive personal taxation to redistribute wealth from rich to poor' (Hepburn, 2010: 61). Thus by the early 1990s,

the SNP had established itself as being on the left of Scottish politics (Mitchell et al., 2012). The social-democratic position of the SNP was clearly linked to territorial factors, since the party sought to exploit Scottish hostility towards the central government dominated by the Tories. At the same time, the party wanted to fight Labour on the grounds that Scotland was '*a working class area*' (Hepburn, 2010: 61, italics added).

In the same period the 'traditional' left-wing mobilisation represented by the Labour Party became increasingly influenced by territorial issues. This was partly due to the fact that the Labour Party became electorally more successful in peripheral regions such as Scotland and Wales than in England. As shown in Figure 9.1, whereas in the immediate post-war period Labour and Conservative parties obtained similar electoral results in Scotland, from the mid-1960s their successes started to diverge. By the beginning of the 1980s the Labour Party had clearly become the dominant party of Scotland, winning a disproportionately large share of Scottish seats in the general elections. On the one hand, the Conservative party became an increasingly English party (particularly during the Thatcher era).

> In this context, Scotland became more integral to Labour's strategic calculations [...]. It was [...] tempting for Labour to play the 'Scottish card', although this did not immediately take place because the party was wedded to the principle of economic solidarity. (Béland and Lecours, 2008: 111).

Figure 9.1. The strength of statewide parties in Scotland (1945-1997)



Source: Newell (1998: 108)

The increasing electoral strength of the Scottish Labour together with the rise of territorial mobilisation mentioned above determined a change in the party attitudes towards devolution and decentralisation. In the immediate post-war period, ideological and economic reasons meant that devolution was not a notable policy objective of the Labour Government led by Clement Attlee. On the contrary, it was assumed that nationalisation, Keynesianism and a universal welfare state model would benefit all parts of Britain. 'Any grievances harboured by the Scots in 1945, Labour assumed, would dissipate once the benign effects of the Attlee Government's economic, industrial and social policies became evident' (Dorey, 2008: 209).

The issue of devolution assumed increasing significance for the Labour Party during the 1960s when Harold Wilson became leader. Regionalism started to be seen as an instrument aimed at reversing the decline of the British economy. Moreover, the Labour party had to respond to the challenge posed by the SNP, which argued that Scottish economic decline was mainly due to economic mismanagement by the

Westminster-based government and that 'this problem could only be remedied by granting the Scottish people greater autonomy, if not independence' (Dorey, 2008: 213).

The territorial challenge became even stronger in the 1970s, when electoral support for the SNP significantly strengthened. The Labour government formed in the mid-1970s had a very small majority and also relied on the support of nationalist groups. This also resulted in the Scotland and Wales Acts and in the referendums that rejected both projects of decentralisation. The rejection of the two referendums was also determined by the internal divisions of the Labour party, which in Scotland and Wales was split into *unionist* and *pro-devolution* factions, the former being stronger than the latter. Yet the pro-devolution factions increased their influence in the 1980s and early 1990s, when central government was constantly occupied by the Conservative Party led by Margaret Thatcher. Over this period, a social-democratic consensus emerged in Scotland and its political landscape was increasingly dominated by parties that positioned themselves on the left of the political spectrum. The sum of the votes for centre-left parties – including the Labour, SNP and also the Scottish Lib-Dems – reached 80.7 per cent of the Scottish vote (Leeke, 2003: 13). Thus Scotland, instead of following England by swinging to the right, developed a specifically Scottish consciousness (Bogdanor, 1999: 194), which mixed territorial identity and social-democratic ideas (Béland and Lecours, 2008: 123). Greer and Jarman have argued that this social-democratic consensus supported an original policy style:

> [B]ased on universalistic, directly provided undifferentiated public services that use networks rather than competition and are governed based on a high degree of trust in the professionalism of providers.

Thus during its long period in the political wilderness, the Labour Party had to reinvent itself and gradually committed to political devolution in Scotland (Loughlin,

2011: 49). This change in Labour's position has been commonly referred to as the 'tartanisation' of the Labour Party (Geekie and Levy, 1989; Levy 1990). Newell (1998: 110) summarises this transition in three main stages. The first stage corresponds to Labour's approval, in 1988, of the document 'A Claim of Right for Scotland' published by the Campaign for a Scottish Assembly and setting out proposals for the establishment of an all-party Scottish Constitutional Convention (McCreadie, 1991: 51). This document was regarded by the Labour Party, which had previously rejected similar proposals, as 'a major contribution to thinking on constitutional change in Scotland' (Deacon, 1990: 68). The second stage was Labour's defeat in the Glasgow by-election of 1988, which was won by the SNP. The third stage corresponds to Labour's actual participation in the Scottish Constitutional Convention, in which the party essentially 'adopted the SNP's position that political sovereignty resides not in the Parliament, but in the people of Scotland' (Newell, 1998: 111). Even the Scottish Trade Union Congress (STUC), which in the post-war period was not supportive of devolution for fear of jeopardising social rights, played a very important role in the (re-)emerging Home Rule Movement. For the STUC, the devolution campaign 'became a central aspect of the left-wing struggle against Thatcherism' (Béland and Lecours, 2008: 119). Therefore, although the STUC never supported independence, 'intense social mobilization created strong ties between the Scottish labour and the nationalist movement' (ibid.).

To sum up, during the 1980s and 1990s the link between territorial and left-wing mobilisation became significantly stronger (Keating, 2004). On the one hand, the SNP shifted to the left and tried to combine its demands for independence with the promotion of social rights, which were threatened by the conservative policies of Westminster. The SNP also understood that in order to be electorally successful, it had to directly appeal to the Scottish working class that was strongly supportive of the Labour Party. On the other hand, the Labour Party moved from a pro-union to a pro-devolution position in a context of long-term exclusion from central government

and increasing electoral challenges posed by the centre-left SNP. Therefore, whereas Labour added a territorial dimension to its class-based ideology, the SNP became both nationalist and social-democratic. Yet this converging trend did not reduce political competition between the two political forces, which instead intensified after the devolution process (Hassan, 2009). It is also worth mentioning the role played by the Scottish branch of the Liberal Democratic Party, which traditionally supported home rule for Scotland and, at the same time, was more left-wing than the statewide leadership.

Thus, since the 1990s territorial and class cleavages have increasingly come to complement each other (Bennie et a. 1997: 21). As suggested by Stolz (2009, 43):

> A dichotomously split electorate divided its electoral support between three mainstream *left-of-centre*, *Scottish-oriented* parties – Labour, the Liberal Democrats and the SNP – on one side, and the staunchly unionist, right-wing Conservative Party on the other. (italics added).

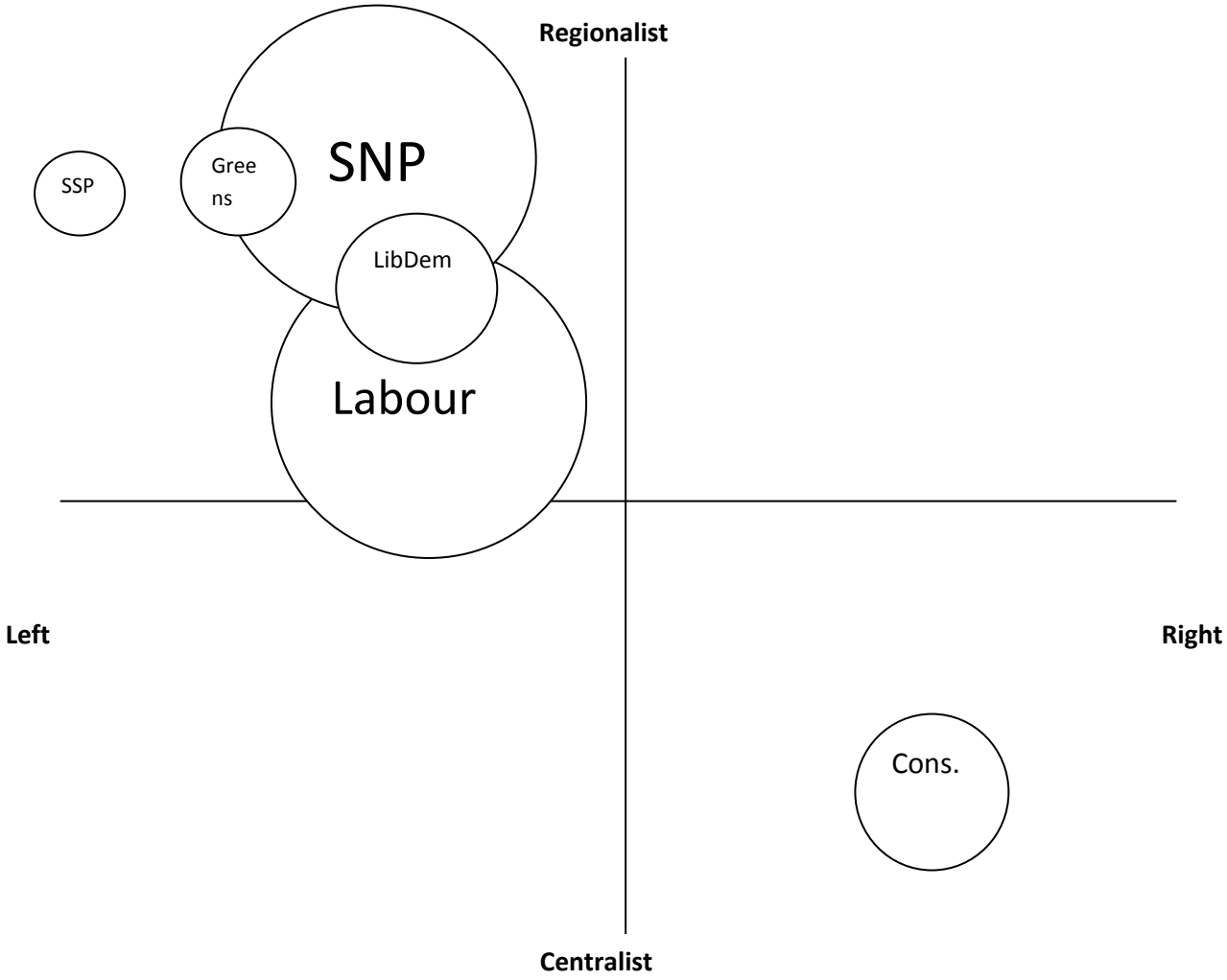
This contributed to the emergence of a 'social-democratic' consensus linked to increasing demands for Scottish autonomy coming from the SNP, Labour and LibDems and opposed by the Conservatives. It can thus be hypothesised that in Scotland, territorial and left-wing mobilisations have had a 'combined' effect on the emergence of a sub-state welfare regime that became increasingly divergent from the 'British model'.

Scottish politics after devolution

In 1999 the first election for the Scottish Parliament took place. A new regional party system has emerged since then. As shown in Figure 9.2, political competition at the regional level has been characterised by the overlapping of the left-right and centre-periphery cleavages. Thus, in the post-devolution period, political dynamics that had already emerged in the 1980s further developed. All left-wing parties have been in

favour of political devolution (and for the SNP, even independence) of Scotland[70], whereas the Conservative Party is the only one located on the centre-right and more hostile to decentralisation, although its position became more moderate over time (Stolz, 2009: 44; Fabre and Martinez-Herrera, 2009: 244). The two main parties, the SNP and Labour, therefore competed to obtain the support of the same electorate.

Figure 9.2. Locating post-devolution Scottish parties on the two-dimensional political map combining left-right and centre-periphery cleavages



Source: Stolz (2009: 44). The map has been slightly modified since Stolz's version does not graphically show the sizes of the parties represented. Thus, in this map I also illustrate the size of electoral support enjoyed by each party in Scottish politics (a larger circle means stronger support).

[70] Also two smaller parties, the Scottish Green Party (SGP) and Scottish Socialist Party (SSP), are ideologically on the left and are in favour of devolution or independence.

The electoral system adopted for the Scottish Parliament has further contributed to the consolidation of a political landscape that was very different from that of Westminster. The additional member system (AMS) is roughly similar to the one adopted in Germany, in which a first-past-the-post system typical of Westminster is combined with a proportional top-up. The overall result is 'close to fully proportional' and this means that it was very difficult for a party to obtain an overall majority (Pilkington, 2002: 103). As shown in Table 9.1, in 1999 and 2003 the Labour Party obtained the largest share of seats but, failing to obtain an absolute majority, it had to form coalition governments with the Liberal Democrats. In 2007, the SNP obtained the relative majority of seats and managed to form a 'minority' government. Only in 2011 did the SNP obtain the extraordinary result that allowed the formation of a one-party, majority government. Funnily enough, this happened when, for the first time since WW2, a coalition government including the Conservative Party and Liberal Democrats was established in London.

Table 9. 1. Scottish Parliament elections from 1999 to 2011. Seats gained by each party (% of seats in brackets)

	1999	2003	2007	2011
Labour Party	56 (43%)	50 (39%)	46 (36%)	37 (29%)
Scottish National Party	35 (27%)	27 (21%)	47 (36%)	69 (53%)
Liberal Democratic Party	17 (13%)	17 (14%)	16 (12%)	5 (4%)
Conservative Party	18 (14%)	18 (14%)	17 (13%)	15 (12%)
Scottish Green Party	1 (1%)	7 (5%)	2 (2%)	2 (2%)
Scottish Socialist Party	1 (1%)	6 (3%)		
Independent/Other	1 (1%)	4 (3%)	1 (1%)	1 (1%)

Source: Electoral Commission http://www.electoralcommission.org.uk/

Politics in devolved Scotland can thus be divided into two periods. In the first period (from 1999 to 2007) the Labour Party was the dominant political force, forming coalition governments with the Liberal Democrats (see Table 9.2) and trying to respond to the challenges posed by the SNP as the main opposition party. In the same period Scottish Labour also had to bargain with the central leadership of the Party, which controlled the national government. In this context the Scottish Labour Party had the difficult task of mediating between territorial challenges and centralising pressures coming from London when elaborating and implementing Scottish social policies. The second period (from 2007 to date) is instead characterised by the increasing success and political centrality of the SNP, which has managed to replace Labour as the dominant political force in regional politics. These changes in Scottish political dynamics have had a significant impact on the policies promoted by the Scottish governments as the next sections of this chapter aim to show.

Table 9.2. Governments of Scotland since 1999

First Minister	Term of office	Parties in Government
Donald Dewar (LAB)	1999 – 2000	Labour, LibDem
Henry McLeish (LAB)	2000 – 2001	Labour, LibDem
Jack McConnell (LAB)	2001 – 2003	Labour, LibDem
Jack McConnell (LAB)	2003 – 2007	Labour, LibDem
Alex Salmond (SNP)	2007 - 2011	SNP (minority)
Alex Salmond (SNP)	2011 - present	SNP (majority)

The first phase: Labour political supremacy (1999–2007)

As mentioned above, until 2007, the strongest party in Scotland's system was the Scottish Labour Party, which won 56 and 50 out of 129 seats in the first two Scottish

elections. Even though a new 'Third Way' rhetoric was adopted by Tony Blair at the statewide level, Scottish Labour 'did not drop references to the positive role that could be played by the state to foster equality and economic solidarity' (Béland and Lecours, 2008: 124). An example of this focus on public intervention is provided by the following message by the Labour First Minister Jack McConnell and included in the 2003 Party Manifesto:

> Government should be on your side. Not secretive or remote, not expedient nor wasteful. Not acting for self-interest, but committed to the national interest. On the side of the children needing a better start in life […] on the side of patients waiting too long'[71].

Generally Scottish Labour has devoted particular attention to health care, poverty, housing, elderly and childcare and has sought to occupy a great part of the centre-left in Scotland. This clearly left-wing strategy was also pursued by maintaining a strong relationship with the Scottish Trade Union Congress (STUC) (Irvine, 2004). This reinforced link between the Labour-led government of Scotland and the STUC was confirmed by Rozanne Foyer, Assistant General Secretary of the STUC, who, soon after devolution, affirmed that:

> In Scotland, we had five meetings with ministers in twenty years, now we have about five meetings a month with ministers in the Scottish Executive, about transport, health, local government and education (quoted in Murray 2003: 163).

Devolution also seemed to impact on the relatively centralised structure of the Labour Party, since the Scottish party branch was granted increasing levels of formal autonomy. One may therefore expect that, as another consequence of intra-party decentralisation, policies promoted by the Scottish government and those promoted by the Labour party in London would start to diverge substantially. Yet, Hopkin (2009b: 187) has argued that 'what is striking about devolution is how little the

[71] Scottish Labour Party (2003), *On your side: Scottish Labour Manifesto,* p. 1.

power transferred to sub-national elites affected the broader dynamics within the British Labour Party'. According to him, the Labour Party remained a vertically integrated and highly coordinated party organisation in which the statewide leadership was able to heavily influence sub-state policy making. The need for coordination and central supervision of devolved policies was reinforced by the fact that the Labour controlled both central and devolved governments. This seems to confirm the idea that when controlling central government, left-wing parties are quite hostile to sub-state policy divergence. Boyes et al. (2001:59) even suggest that with Labour-dominated governments in London and Edinburgh the risk was that Scotland remained 'a passive recipient of policies designed in Westminster, mainly silent in response to reforms MSPs broadly support and critical of anything contentious'. At the same time, Scottish Labour had to face the pressures coming from the social-democratic SNP and also from its governmental ally, the Liberal Democrats, who were strongly committed to devolution and were equally sensitive to social issues.

The issue of 'long term' elderly care can be regarded as a good example of the dilemmas faced by the Scottish Labour Party when dealing with social policy legislation at the sub-state level. The origins of Scotland's distinctive long-term care programme lie in the so-called Sutherland Report, which, in the pre-devolution period, advocated the creation of a system of free universal care for old people. However, the Blair government rejected the proposal in favour of a more modest, means-tested programme. This decision went against Scottish First Minister McLeish's commitment to deliver free personal care for the elderly. Therefore tensions emerged between the leaders of the Scottish and British Labour Party (Béland and Lecours, 2008: 135). Eventually, universal long-term care for the elderly was introduced but this mainly derived from what Parry (2002: 322) defines as 'coalition pressure' coming from Scottish Labour's Liberal Democrat partners in the governing coalition. Indeed, as underlined by Mitchell (2009: 137), Labour's need to

form a coalition in a new political system that was less *majoritarian* than the Westminster one, 'would prove to be a major determinant of policy innovation and divergence'. The main opposition party, the SNP, also strongly supported the development of a more generous welfare scheme and, by relying on the more *consensual* nature of Scottish politics, it 'forced' the Scottish Labour Party to ignore the preferences of the statewide party leadership. As underlined by Béland and Lecours (2008: 136), 'in a concrete manifestation of its institutional autonomy, the Scottish Parliament did enact that policy [i.e. free, long-term elderly care] in the name of *Scotland's distinct social model*' (italics added). Yet, according to Mooney and Poole (2004), without the pressure of coalition partners and opposition, Scottish Labour would have been very reluctant to challenge the national leadership. Hassan and Shaw (2012: 187) confirm this analysis and argue that the 'paradox of free personal care is that if the decision had been left solely to the [Labour] party it would have never been adopted'.

Despite the 'hierarchical' links between the Scottish and British Labour parties, the peculiar characteristics of the Scottish party system and the pressures coming from socially progressive territorial movements had a strong effect on the evolution of the Scottish welfare model, which followed a path of increasing divergence from the English, *pro-market* model. Indeed, Greer (2004) has underlined that in England the Labour party could not radically change the market-based model of welfare that emerged in the early 1990s because it was challenged by the right-wing opposition of the Conservatives, who were still electorally strong in English constituencies. On the other hand, in Scotland the 'policy community' was clearly on the Left and such progressivism was also linked to 'territorial' demands for distinctive policy making at the regional level. Thus the Scottish Government has been 'forced' to move from:

> [A] shared agenda with the Westminster government (albeit framed as social inclusion rather than exclusion) to a more clearly defined Scottish agenda, with more distinctive localized policies and a greater willingness to blame Westminster fiscal and social security for failures to address poverty in Scotland (Scott and Wright, 2012: 443).

Particularly in the health care sector, the first coalition executive in Scotland moved quickly to end the NHS internal market that was created during the Thatcher era. Scotland moved to 'a flatter integrated structure than England or Wales', with a single tier of organisation comprising 14 area health boards, to assess need, plan provision, allocate resources and deliver services (Birrell, 2009: 56). The 2004 NHS Reform Act, promoted by the Labour-LibDem coalition, also promoted a community-based, decentralised but, at the same time, highly coordinated system 'to provide a focus for the integration of primary care and acute services, to feed local needs into health board planning and to resource allocation and develop joint working with local authority social services' (ibid.). More importantly, the new Scottish model rejected the command and control management approach typical of the English model and, instead, promoted public participation in a unified structure of primary and secondary care based on the use of networks and partnerships (Stewart, 2004). Indeed, unlike in England, 'a market oriented approach never received serious consideration by Scottish Labour' and, more generally, 'there was no appetite for private involvement in the delivery of public services' (Hassan and Shaw, 2012: 164). In sum, also as a result of the pressures of coalition partners and the SNP opposition, none of the 'market oriented', institutional innovations introduced by New Labour in England – foundation hospitals, star ratings, payment by results, a growing role for private providers, enhanced patient choice and incentivisation – were adopted by the Scottish Labour Party (Ibid. 168). The result is that today, in Scotland and in England, 'we have two health care systems', which:

> [H]ave started from the same place insofar as the founding values are concerned but which have moved in significantly different directions, both in terms of the coding of those values into policies and in terms of how those values have been adapted and revealed in the process of making policy (Kerr and Feeley, 2007: 34).

To this general picture of public-based social model, it should be added that, as shown in the previous chapter, public spending per head in Scotland has been substantially higher than in the UK average and this is despite the fact that 'it is not in line with its levels of need' (McLean et al., 2009: 159), which are lower than in some parts of England and Wales.

Eventually, the increasingly divergent trajectory followed by Scottish policies (not only in the field of welfare), seemed to further strengthen the distinctiveness of the *Scottish model* and, at the same time, undermine the hegemonic position of the Labour party in the Scottish Party system. The Labour party was increasingly seen as a 'British' party, under the control of the British leadership and not fully committed to defending Scottish interests. Moreover, the persisting tensions between local and central leaders had a negative impact on the cohesiveness and electoral effectiveness of the Labour party organisation. Divergence between electoral results in general elections and Scottish elections has increased, as shown in Figure 9.3, and this seems to suggest the emergence of 'split' attitudes in the Scottish electorate. Greer (2004) underlines that:

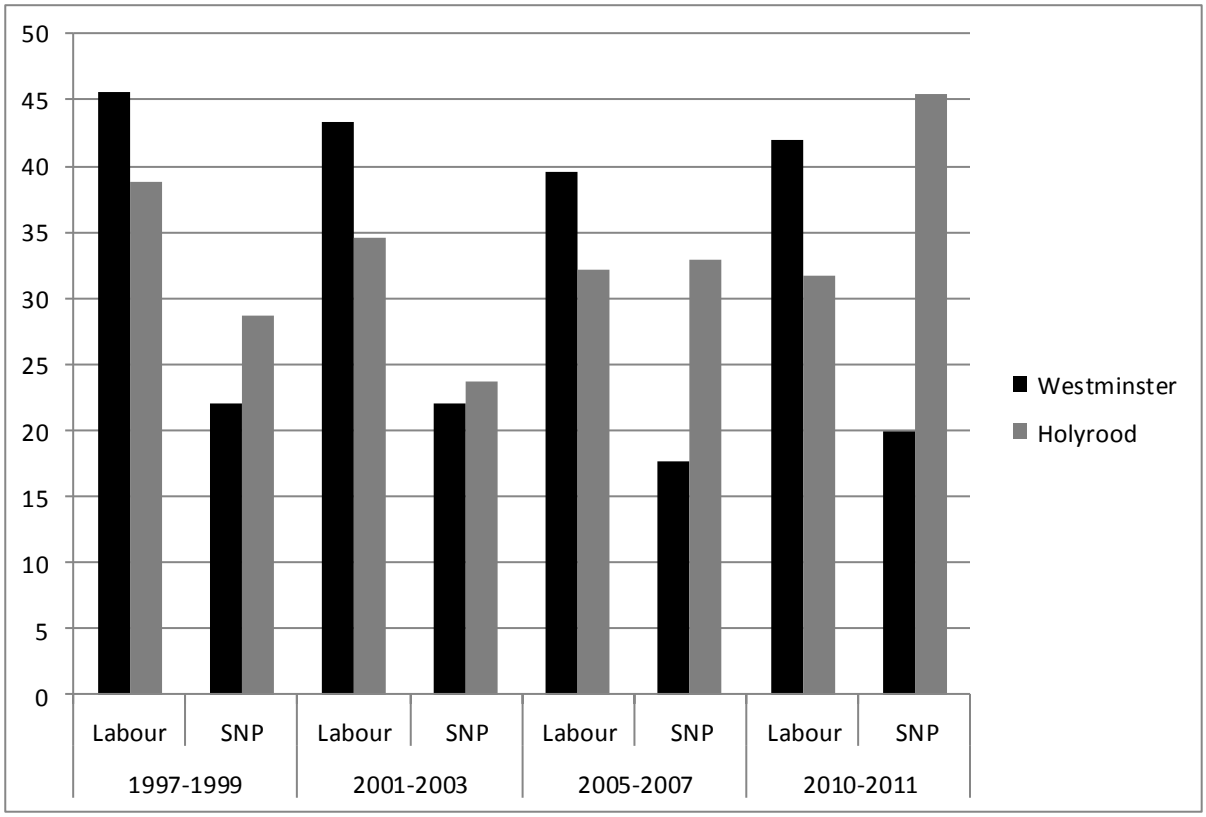
> Scottish voters appear to have developed a tendency to dual voting – electing Labour effectively to defend their interests in Westminster but often expressing themselves by supporting other parties in Scottish elections.

For instance, in the 2010 general election the Labour Party obtained 42 per cent of the Scottish vote, whereas in the 2011 Scottish election it obtained only 31.7 per cent[72]. At

[72] This percentage refers to the constituency vote. In the Scottish election, voters can also cast a 'regional vote' which complements the constituency vote. In the regional vote Labour obtained only 26.3 per cent.

the same time, the SNP obtained only 19.9 per cent of the Scottish vote in the 2010 general election and 45.4 per cent in the Scottish election in the following year! Thus, on the one hand, Scottish voters still support the Labour party in statewide British politics. On the other hand, when it comes to devolved politics, they have turned to the SNP – a political force that has sought to strengthen the link between progressive values and the territorial distinctiveness of the Scottish community.

Figure 9.3. Support for Scottish Labour and the SNP in statewide (Westminster) and Scottish (Holyrood) elections



The second phase: the SNP Government (2007 – present)

In 2007 the SNP managed to win the relative majority of seats in the Scottish parliament. This victory came after a period of reorganisation during the previous years. Indeed, in the 2003 Scottish election the SNP faced an electoral setback and

seemed to lose its support among left-wing voters, who instead chose the Scottish Socialist Party. On this occasion, the Labour Party also lost six seats due to the rise of the Greens and Scottish Socialists, but, 'scenting blood, the media focused on the SNP' (Mackay, 2009: 83). The crisis of the SNP led to the election of Alex Salmond as leader of the party. Salmond had already led the party in the 1990s but had been forced to stand down as SNP leader in 2000 after facing internal criticism following a series of high profile fall-outs with party members (Britten, 2000).

Under the renewed leadership of Alex Salmond, the SNP gradually became the 'natural' ruling force of Scotland. The SNP's success was mainly owed to the perception that it was 'good for Scotland' and likely to form a competent government (Mitchell at al., 2012: 142). Moreover, victory for the SNP came at a time of 'widespread disillusionment with New Labour, *as much in London as in Edinburgh*' (Mooney et al. 2008: 386, italics added). Yet, although in 2007 the party won the Scottish election, it failed to achieve the absolute majority of the seats. The Labour Party would not accept to become a junior party of its main competitor and the Liberal Democrats also refused to form a coalition with the winning party. Moreover, it was the SNP's policy not to deal with the Tories, leaving the Nationalists with the prospect of leading the first minority government since devolution (Mackay, 2009: 86). Therefore, in order to pass legislation the SNP had to bargain with opposition parties and this confirmed once again the more 'consensual' nature of Scottish politics in comparison with the Westminster model.

Just after the 2007 election Alex Salmond unveiled his 'Independence White Paper' and launched *Choosing Scotland's Future: A National Conversation*[73]. In this first programmatic document, Salmond aimed to show that during its years of opposition the SNP had changed and abandoned the old fundamentalism demanding 'independence, nothing the less'. Instead, confirming the will to reach a Scottish consensus, he stated that:

[73] http://www.scotland.gov.uk/Publications/2007/08/13103747/12 (date of access, 18/07/2014)

> As First Minister of Scotland, it is my responsibility to explore and lead discussion on the options for constitutional change. I lead the first Scottish National Party Government to be elected in a devolved Scotland, so I will put the case for independence, its benefits and opportunities. However, I also recognise there is a range of other views in our country, and represented in the Parliament. (p. V)

The White Paper also addressed the issue of devolution in social policies and underlined the importance of expanding Scottish authority in the governance of social insurance and benefits, which were still mainly controlled by the central government:

> There could be a degree of devolution in tax and benefit arrangements for social security. The Scottish Parliament and Scottish Government could assume the responsibility for the rules concerning eligibility for some benefits or tax credits. United Kingdom benefits and tax credits could be supplemented by Scottish schemes to promote particular social objectives, such as additional support for families, the best start for children, help for certain groups to move from inactivity into work, or a Scottish Social Fund to help low income families access low or no-interest loans. Currently recipients of benefits or tax credits can be penalised if they receive additional support, but the Scottish Parliament could be given the power to legislate in such matters. It would then be possible to ensure that schemes to assist people, for example, allowances for studying or for child care, do not simply result in a loss of other benefits or tax credits. (p. 13)

Yet such expansion in welfare competencies could only be achieved if the Scottish Government could 'be fully responsible for the financial implications of its decisions in this area.' Indeed:

> Any devolution of responsibility for elements of social security would best be accompanied by some further devolution of taxation powers [...] rather than relying on existing resources to meet additional costs. It would also be important to consider the arrangements for delivering these services, for example, the

> arrangements under which the United Kingdom Benefits Agency could administer any separate Scottish benefits or pension regime. (p. 13)

Immediately after devolution, the SNP aimed to present itself 'as a champion of pre-Blairite, if not "Old Labour", understanding of social democracy' (Maxwell, 2009: 128). As a consequence, in 2007 the SNP-led Scottish Government announced a set of new policies in the field of health and social care that would be even more radical than the ones proposed by Scottish Labour in previous years. Indeed, despite the constraints imposed by Westminster, the SNP proclaimed its willingness to advocate a role for the state as the main producer and deliverer of social services and to reject the English model increasingly based on private finance initiatives and privatised forms of delivery (Mooney et al, 2008: 390).

The commitment of the Scottish government to social policy innovation was reinforced by the following policy statements: *Equally Well* (2008), presenting the government's proposals to tackle Scotland's health inequalities; *Achieving our Potential: A Framework to Tackle Poverty and Income Inequality in Scotland* (2008); and *The Early Years Framework* (2009). The first statement dealt with problems of health inequality, which were also regarded as a threat to 'sustainable economic growth' in Scotland. Thus an action plan was set and it mainly involved the public sector (so, again, the centrality of public intervention was underlined) but also highlighted the importance of creating 'strong joint working between the NHS, local government, the Third Sector and others within community planning partnerships' (p. VI). In the second statement, the link between social equality and sustainable economic growth was stated once again. As underlined by Nicola Sturgeon, Deputy Prime Minister of Scotland:

> The overarching Purpose of this Government is to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. Delivering on that Purpose will mean delivering greater Solidarity in Scotland – a fairer distribution of wealth which we believe is

> key to tackling poverty. That is why we have set a national target to increase the proportion of income received by the poorest 30% of households by 2017. (p. 1)

In order to reach this ambitious target the SNP government aimed to build a Scottish 'coalition for change', which would involve public and third sector actors. Thus it seemed evident that the ultimate goal of the government was to create a broad 'developmental coalition' (Keating, 1997) linking social and territorial solidarity in a framework of region-building. Lastly, in the *Early Years Framework,* the SNP government sought to develop a set of integrated social policies ('coordinated approach') supporting children in the early years of their life in order to reduce social inequality:

> This framework seeks to maximise positive opportunities for children to get the start in life that will provide a strong platform for the future success of Scotland. We know that children are the future of Scotland and we know that early years experiences provide a gateway to learning and skills that will power Scotland's knowledge economy. Equally importantly, it seeks to address the needs of those children whose lives, opportunities and ambitions are being constrained by Scotland's historic legacies of poverty, poor health, poor attainment and unemployment.

The SNP also adopted a radical strategy of citizen's involvement in the governance of health services (Greer et al. 2014). Thus it proposed the introduction of directly elected health boards, which 'were seen as giving power back to local people and the single biggest way possible to re-energise public engagement with the health service' (Birrell, 2009: 65). The experiment, however, did not prove successful, since the turnout in pilot elections held in Fife and Dumfries and Galloway in 2010 was very low. Thus the plan had to be abandoned in 2013[74].

[74] 'Scottish health board elections abandoned', from BBC website http://www.bbc.co.uk/news/uk-scotland-scotland-politics-24857054 (date of access 20/08/2014)

Generally, despite ambiguously supporting some liberal economic policies to foster economic growth[75] (Cuthbert and Cuthbert, 2009; Mooney et al 2005), the SNP-led Scottish government looked to the social-democratic welfare state of Scandinavian countries, rather than the liberal social system of England, as a model to adopt and implement in Scotland (Maxwell 2009 ; Milne 2014). The creation of cross-national, Nordic 'macro-region' linking Scotland to Scandinavia is increasingly seen as viable option by the SNP leadership. In the months that preceded the campaign for the independence referendum, the Scottish government underlined the importance of strengthening the cooperation with Sweden, while loosening the ties to England (*Scotland's Future,* 2014: p. 174). In general, Scottish nationalists argue that a possible Scottish independence would not mean 'isolation'[76] and the European Union, which actively encourages cross-border cooperation, would be a good context to develop extensive relations with neighbours outside the United Kingdom.

However, in the first years of SNP government, it soon became increasingly evident that the full establishment of a generous and universalistic system of social protection would not be possible while Scotland was still subject to financial pressures coming from London (pressures that have increased since the beginning of the economic crisis in 2008) and could not control cash benefits and public insurance schemes. Additionally, the formation of a centre-right government in London made the development of an increasingly divergent welfare model more difficult to achieve without further institutional adjustments.

Especially after the electoral victory of the SNP in 2011, when the party obtained the absolute majority of seats in the Scottish parliament, there have been

[75] For a while, the SNP aimed to reconcile its social-democratic plans for Scottish welfare with a more liberal and business friendly economic model like the one adopted by Ireland, the so-called 'Celtic Tiger' (Mooney et al, 2008: 389). However, the economic crisis that hit Ireland in 2008 prompted the SNP leadership to change strategy and look at other northern European models (mainly the Scandinavian ones).

[76] To have an overview of the debate on the relationship between Scotland and other Nordic countries see http://foreignaffairsreview.co.uk/2014/05/independence-scotland-nordic/#_ftn7 (St. Andrews Foreign Affairs Review)

strong political-led suggestions that 'greater devolution or independence would lead to more inclusive and egalitarian welfare provisions and social relations' (Scott and Wright, 2012: 449). As a consequence, Scottish political parties' attitudes towards Scottish territorial status have started to diverge substantially. On the one hand, the SNP returned to its pro-independence position, arguing that the Scottish model was becoming increasingly incompatible with the English model and could not be developed to its full potential within the constraints imposed by London. Therefore it called for a referendum on independence that took place in September 2014. The issue of National Health was central in the pro-independence campaign, which launched the slogan 'NHYes', meaning that a yes to independence would have a positive effect on the development of a Scottish health system. As one of the campaign leaflets stated:

> In England the Westminster government is privatizing the NHS by stealth. The Scottish government is committed to protecting our health service. But a No vote [to independence] on September 18th could have a devastating knock on effect. Under the present Westminster controlled system, spending cuts in England automatically trigger cuts in Scotland. Their privatization of the NHS puts our NHS at risk.[77]

On the other hand, during the referendum campaign, the Scottish Labour Party and the other statewide parties argued that the development of a Scottish model was compatible with British institutions and it would therefore be sufficient to achieve more autonomy within the United Kingdom.

Eventually the independence option was rejected by 55 per cent of the voters in the 2014 referendum. Yet the issues raised during the referendum campaign and the fact that almost half of the Scottish population supported independence show that linking social policy to region-(or nation)building – thus putting an end to

[77] 'Yes campaign' leaflet, September 2014.

statewide, homogeneous social solidarity – may seriously challenge territorial integrity in multi-national or regionalised countries.

Closing the boundaries?

The debate on Scottish independence has placed increasing emphasis on the actual and potential level of 'boundedness' of the new welfare system of Scotland. Although this study mainly focuses on assessing and explaining the 'structuring' of sub-state welfare models, one may wonder whether Scottish social policies are increasingly linked to residency requirements, that is, if they are moving towards a system which is less 'porous' and less open to other British nationals. In the fields of health and social care this does not seem the case. For instance, in *Scotland's Future: Your guide to an independent Scotland,* the SNP-led government stated that even if Scotland decided to leave the United Kingdom,

> Independence will not affect the day-to-day management of the NHS in Scotland, nor *how people access NHS services.* Similarly, it will not mean *ending current cross-border arrangements with health services in the rest of the UK*, which have continued even though the NHS in Scotland already operates independently. (p. 12, italics added)

Therefore, even in an independent Scotland the NHS would remain connected to the UK-wide system, although it would be structured in a different way, and access to its services would remain open to all British (and EU) citizens. In general, it seems that, so far, the Scottish political elite has devoted more attention to the structuring of a distinctive social model, without clearly defining its territorial limits. Of course, also the lack of fiscal autonomy and the dependence from transfers coming from London (Keating, 2009: 121) have prevented the Scottish government from implementing any policy that would be exclusively targeted at Scottish residents. In the future, should

Scotland achieve more fiscal autonomy and decide to have a more restrictive approach to access to social benefits, one may expect that the closing of the boundaries would mainly be based on 'territorial' factors (i.e. 'residency requirements') than on ethnic aspects (i.e. language or ethnic characteristics). This is because Scottish nationalism is more 'civic' than 'ethnic' and, therefore, is 'a *collective enterprise* based upon common values and institutions, and patterns of social interaction' (Keating, 1997b: 690).

In other policy areas that are linked to social policy, attempts to better define the borders of the Scottish system have been made. For instance, in the field of education the example of university fees is quite emblematic and may constitute the first nucleus of a truly 'bounded' set of Scottish policies. Interestingly, whereas higher education is free for Scottish and EU students, those coming from other regions of the UK have to pay fees. In order to qualify as a Scottish student and be exempted from paying tuition fees, the student must have lived in Scotland for at least three years prior to the first day of the first academic year of the course. Additionally, the fact that EU students, unlike their British colleagues, enjoy the same rights of Scottish students also seems to point to the strong links that may exist between sub-state and European dimensions of governance and that bypass the 'homogenizing' authority of the nation-state.

The difference in Scottish university fees is also the result of diverging policies in the post-devolution period. Whereas Westminster decided to increase fees in 1998 and 2010, Holyrood refused to do so[78]. In turn, the rising of English university fees has resulted in a defensive strategy, pursued by the Scottish government, aimed at limiting 'the possibility of English, Welsh and Irish "fee refugees" overwhelming Scottish universities' (Mycock, 2012: 60). These developments may 'have implications

[78] See also the document by the Scottish Government (2010) *Building a Smarter Future: Towards a Sustainable Solution for the Future of Higher Education,* http://www.gov.scot/Resource/Doc/335256/0109656.pdf (date of access 25/06/2015).

for the "social union"' with a limitation and fragmentation of citizens' social rights across the whole British territory and the emergence of 'exclusory modes of citizenship' (Ibid.) that are not based on class or ethnicity but mainly on territoriality.

Conclusion

In Scotland, left-wing and territorial mobilisations have been closely interlinked and have both contributed to the emergence of a sub-state welfare system that has increasingly diverged from the English (and British) one. Both the Labour Party and SNP campaigned for the devolution of substantial policy making (but also fiscal) powers to Scotland. Moreover, despite controlling both central and regional governments, after the devolution reform the Scottish Labour Party was strongly influenced by region-specific political dynamics and promoted policies, like free elderly care, which were instead opposed by the central party leadership. Moreover, the competition with the SNP on territorial and social issues has resulted in a more public-based, community-centred health care system, which is very different from the market-based model that is still in place in England.

The process of Scottish welfare building seems to have strengthened the sense of Scottish distinctiveness and has made regional Labour leaders' attempts to coordinate with the statewide leadership less and less successful. Labour has thus been replaced by the SNP as the hegemonic political force in Scottish politics. This has further increased the importance of social policy as an instrument of region- and nation-building. The SNP has sought to go well beyond the governance of health care and social services by establishing a full-fledged welfare regime inspired by the social democratic model of Scandinavia rather than by the liberal model of England/Great Britain. These ambitions seem to have become increasingly incompatible with the British institutional model and have made the issue of Scottish independence central in the political debate.

Chapter 10

Wales: moderate territorial mobilisation in a context of social democratic consensus

Converging paths of territorial and left-wing mobilisations in Wales

Welsh devolution has been defined as a 'pale version' of that in Scotland. Historically, 'religion and language, rather than the apparatus of the state, made Wales different' (Mitchell, 2009: 8). These two issues were central when Plaid Cymru, the main territorial movement of Wales, was founded in 1925 under the leadership of Saunders Lewis, a poet and writer, who sought to create a single-issue pressure group 'concerned solely with the defence and promotion of the Welsh language and culture in the face of accelerating Anglicization of South Wales' (Christiansen, 1998: 125). The original list of goals 'excluded self-government' (McAllister, 1982: 206), an issue that, according to the party leader, created disagreement within the party' (Davies 1979). Under Lewis, Plaid Cymru adopted a traditionalist, almost reactionary, ideology that looked back at the medieval, pre-Reformation, pre-English, pre-industrial Wales (ibid.). This was also combined with hostility towards the secularism and progressivism of Labour.

Territorial mobilisation remained quite weak and lacked an 'institutional focus' (Bogdanor, 1999: 145) until the 1960s, when a new campaign in support of the Welsh language and culture was launched. This time, however, particular emphasis was not only placed on cultural issues but also on institutional issues and, particularly, on Welsh self-government. Thus in the 1960s Plaid Cymru became a more 'mature political organisation', 'a regionalist party rather than a cultural movement' (Christiansen, 1998: 126). This change in the party strategy also produced its first electoral successes. In 1966, for the first time, Plaid Cymru won a parliamentary seat in the Carmarthen by-election. In the 1970s the electoral results of

the party further increased, although it 'failed to emulate the SNP and its percentage of the vote remained static' (Bogdanor, 2001: 156). However, Westminster politicians and commentators 'believed that there was increasing support for nationalism in Wales as well as in Scotland' and they talked about 'the rise of nationalism in Scotland and Wales'. At the same time, the modernised Plaid Cymru started presenting itself 'as a progressive, forward-looking force in Welsh policy' (Christiansen, 1998: 129). New issues became central in the party platform: environmentalism, industrial policy, disarmament and, of course, decentralisation.

Yet, unlike the SNP, Plaid Cymru did not have a clear position on the territorial status of Wales. Indeed, it adopted a 'nebulous constitutional terminology' (Elias, 2009: 69) by simply calling for Welsh 'self-government' rather than independence. Indeed, the position of the first leaders of the party was that Wales should not fight for 'independence', but, rather, 'seek some other form of constitutional existence that would endow Wales with "freedom"' (Jones, 2009: 134). In the decade preceding the devolution referendum of 1997, Plaid Cymru's commitment was to a Europe comprehensively transformed into a 'Europe of the Regions and Historic Nations'. Only in 2003 did the party proclaim 'Independence' as its long-term constitutional aim for Wales (Ibid.: 131). Thus territorial mobilisation in Wales has generally been much more moderate than in Scotland and this is also clearly shown by the different results of the devolution referendums which took place in both regions in 1979 and 1998.

As in the case of the SNP, the left-wing turn of Plaid Cymru became even more evident during the conservative (and centralistic) Thatcher government. In 1984 the new president of Plaid Cymru, Dafydd Elis Thomas, promoted the idea of 'progressive nationalism' (Elias 2009). Cooperation with the Green Party and the social-democratic SNP was strengthened and this further confirmed this new strategy. Generally Plaid Cymru had a 'strategic dilemma'. Indeed it could:

> [E]ither act as a constituency representative in Wales, essentially as a party of Welsh-speakers, or develop a strategy aimed at electoral efficiency through broadening its support beyond the Welsh language community to appeal to the wider electorate (Lynch, 1995: 197).

Plaid Cymru tried to solve this dilemma by developing 'a leftist appeal' (Lynch, 1995: 198) and re-launching itself as 'challenger' party in the early 1980s (Rochon, 1985). Therefore, it tried 'to move away from mobilizing the electorate of Welsh-speakers alone' and started to challenge the Labour Party 'over its ideology, programme and role as the defender of Wales against the Conservative government' (Lynch, 1995: 198). From 1959, Plaid Cymru began a gradual process of social-democratisation but, at the same time, it tried to distinguish its new commitment to socialism from that of the Labour Party in Wales by advocating '*community* socialism'. This again symbolised Plaid's ideological dilemma: 'the party needed a form of socialism that had to be distinctively Welsh *and* distinguishable from that of Labour' (McAllister, 2001: 171). The latter was seen as too 'centralist' and difficult to reconcile with demands of self-government. Yet, in the long term, Plaid Cymru did not manage to erode any significant part of Labour support and it soon moved on to explore the opportunities for electoral alliances with the Welsh Green Party. Thus the party remained on the left but it further developed its 'post-materialist' profile.

Overall, at the beginning of the devolution process in 1999, Plaid Cymru had 'matured' into a well-organised party as the figures provided by McAllister (2001: 61) and summarised in Table 10.1 show. Party membership more than doubled, grass-root organisation strengthened and party finances improved considerably. Moreover the party managed to obtain representation at the national and local levels.

Table 10.1. The organisational development of Plaid Cymru from 1945 to 1999

	1945	**1999**
Membership	6,000	16,000
Turnover	£ 2,904	£500,000
No. of Branches	150	220
Paid Staff	3	60
MPs	0	4
Local Councillors	0	206

Source: McAllister (2001: 61).

Whereas Plaid Cymru broadened its political horizons by including social-democratic and environmentalist issues in its platform, the Labour Party moved in a convergent direction by becoming more sensitive to Welsh territorial identity. It should also be underlined that, before becoming a strong, statewide party and governing force in Westminster, the Labour Party was not hostile to Welsh self-determination. Indeed, so long as Labour was remote from the exercise of political power at the central level it did not take a clear position on Welsh nationalism. 'Any inconsistency between support for Welsh home rule and other elements in the programme were not a matter of pressing political concern to a political party still on the political periphery' (Jones, 1984: 183).

Yet, although in the early 20th century the Labour party inherited the political position of the Liberal party promoting 'Welsh solidarity', it soon adopted a new class-based philosophy, the 'one of secular Socialism, British rather than Welsh in content' (Pelling, 1968: 112–113). More generally, for most of its political history, the Labour party has held an ambiguous and ambivalent attitude towards Welsh devolution. Indeed, the Labour Party has tended 'to view demands for Welsh devolution as being of (even) less significance than devolutionary pressures emanating from Scotland' (Dorey, 2008: 241).

Ambivalence turned into almost open hostility towards Welsh self-determination when the Labour Party became a governmental force. Particularly

after WW2, the Labour Party became mainly concerned with economic and social issues and adopted a 'centralist' political position, highlighting the importance of class rather than territorial solidarity. In this context, the Labour Party's demands for 'home rule' and constitutional reform, based on the recognition of Welsh ethnic distinctiveness, became much weaker. In fact, in a parliamentary debate, Aneurin Bevan, the Labour Minister of Health of the Attlee Government argued against those that supported Welsh self-government as a solution to resolve social problems and stated that:

> Is it not rather cruel to give the impression to the 50,000 unemployed men and women in Wales that their plight would be relieved and their distress removed by [...] constitutional change? It is not socialism. It is escapism. This is exactly the way in which nation after nation has been ruined in the last 25 to 50 years, trying to pretend that deep-seated economic difficulties can be removed by constitutional changes[79]

The Labour party also opposed excessive support for the Welsh language. For instance, even in 1978, Neil Kinnock, Welsh MP and future leader of the Labour Party, argued that non-Welsh speaking schoolchildren in Welsh-speaking areas were subject to what he defined as 'linguistic racialism' (Drower 1984).

In the mid-1970s, due to the rise of regionalist parties, Welsh devolution became a central issue in the political debate. The Welsh Labour party was not unanimous in its support for decentralisation. In the summer of 1974, the Welsh Council of Labour stated that it was supportive of a directly elected forum in Wales but 'it still did not believe it should be vested with legislative powers' (Dorey, 2008: 256). Yet some Labour MPs in Wales remained opposed even to the prospect of an elected Welsh assembly, which would undermine the roles played by the Welsh Secretary of State and the Welsh Office. Generally:

[79] House of Commons Debates, 5th series, vol. 428, col. 405, 28 October 1946.

> These criticisms reopened the fundamental divide within the Labour Party in Wales between those who saw no contradiction between socialism and their Welsh national identity, and others who were primarily motivated by a materialistic belief in the pre-eminent power and influence of the British State (Jones and Keating, 1982: 187).

This lack of unanimity and enthusiasm towards Welsh self-determination influenced Labour's devolution proposals in the 1970s. The White Paper *Democracy and Devolution Proposals for Scotland and Wales* produced by the Labour Government in 1974 illustrated the extent to which the national aspirations of Wales were viewed differently by the Labour Party, 'for the Welsh were to be offered an elected Assembly whose powers would be significantly less than those to be granted to the Scottish Assembly' (Dorey, 2008: 257). The Welsh Assembly would not have a primary law-making role but would be confined instead 'to exercising certain powers of the Secretary of State for delegated legislation'. It would also have 'responsibility for […] executive functions exercised by nominated bodies […] and certain functions by the Secretary of State' (Wilson, 1979: 48).

The failure of the referendum in 1979 confirmed the hostility of a large part of Welsh Labour towards the devolution process. In the 1983 programme only Scottish devolution was explicitly mentioned (Labour Party Programme quoted in Dale, 1999: 277). Indeed, for most of the Labour Party, the issue of Welsh devolution 'fell into abeyance during the first half of the 1980s' (Dorey, 2008: 260) and this was also due to the strengthening of the more leftist and statist wing of the party (the 'Bennite Left').

However, in the late 1980s, when Labour lost the general election for the third time in a row, a number of important Labour figures who had opposed devolution in 1979 changed their minds. Ron Davies, MP for Caerphilly, can be mentioned among the Labour converts. He argued that the pro-devolution positions were strengthened 'by the impact of *successive election losses* and facilitated by the pressure for local

government reform' (Davies, 1999: 4, italics added). The transformation of the Welsh Labour party was certainly less radical than that of the Scottish party and occurred through a heated internal debate (Andrews 1999). The debate culminated in a document, *Shaping the Vision*, which proposed an assembly with secondary legislative powers but also suggested that there might be scope for primary powers to reform local government and legislating for the Welsh language (Mitchell, 2009: 159). When Labour finally won the general election in 1997, it passed the Government of Wales Act, which was a compromise between the different factions of the party and confirmed the idea that the new Welsh Assembly would only have secondary legislative powers. The Assembly Government:

> [H]ad to bid for Welsh bills or clauses at Westminster, competing with Whitehall departments as it had no primary legislative powers. *Problems would arise when different parties were in power in London and Cardiff.* (Mitchell, 2009: 161, italics added).

To summarise, territorial mobilisation in Wales was much weaker than in Scotland. Plaid Cymru, the main regionalist party of Wales, positioned itself to the left of the political spectrum, just like the SNP, but failed to become a real challenger of the Labour Party, which changed its position mainly because of its long-term exclusion from central government in the 1980s. This resulted in a more moderate attitude of the Labour Party towards decentralisation and, consequently in a more limited process of devolution in which the division of competencies between regional and central governments were less clear than in Scotland (Keating, 2012: 219).

Welsh politics after devolution: a dominant party system

In the first election for the Welsh Assembly the Labour party obtained the relative majority of the seats. Like in Scotland, the voting system adopted in Wales was a mixed majoritarian-proportional model and made it very difficult for a single party

to gain the absolute majority of the seats (Table 10.2). As in Scotland, a territorial movement emerged as the second largest force. Surprisingly, the result of Plaid Cymru in the first election was even greater than that of the SNP! Indeed, the first Welsh elections after devolution were defined as a 'quiet earthquake' (Trystan et al. 2005). Yet after the 1999 election, the political dissimilarity between the Welsh and British party systems decreased, as a consequence of the declining support for Plaid Cymru and strengthening of the Conservative Party (Detterbeck, 2012: 97).

Table 10.2. Welsh Assembly elections from 1999 to 2011. Seats gained by each party (% of seats in brackets)

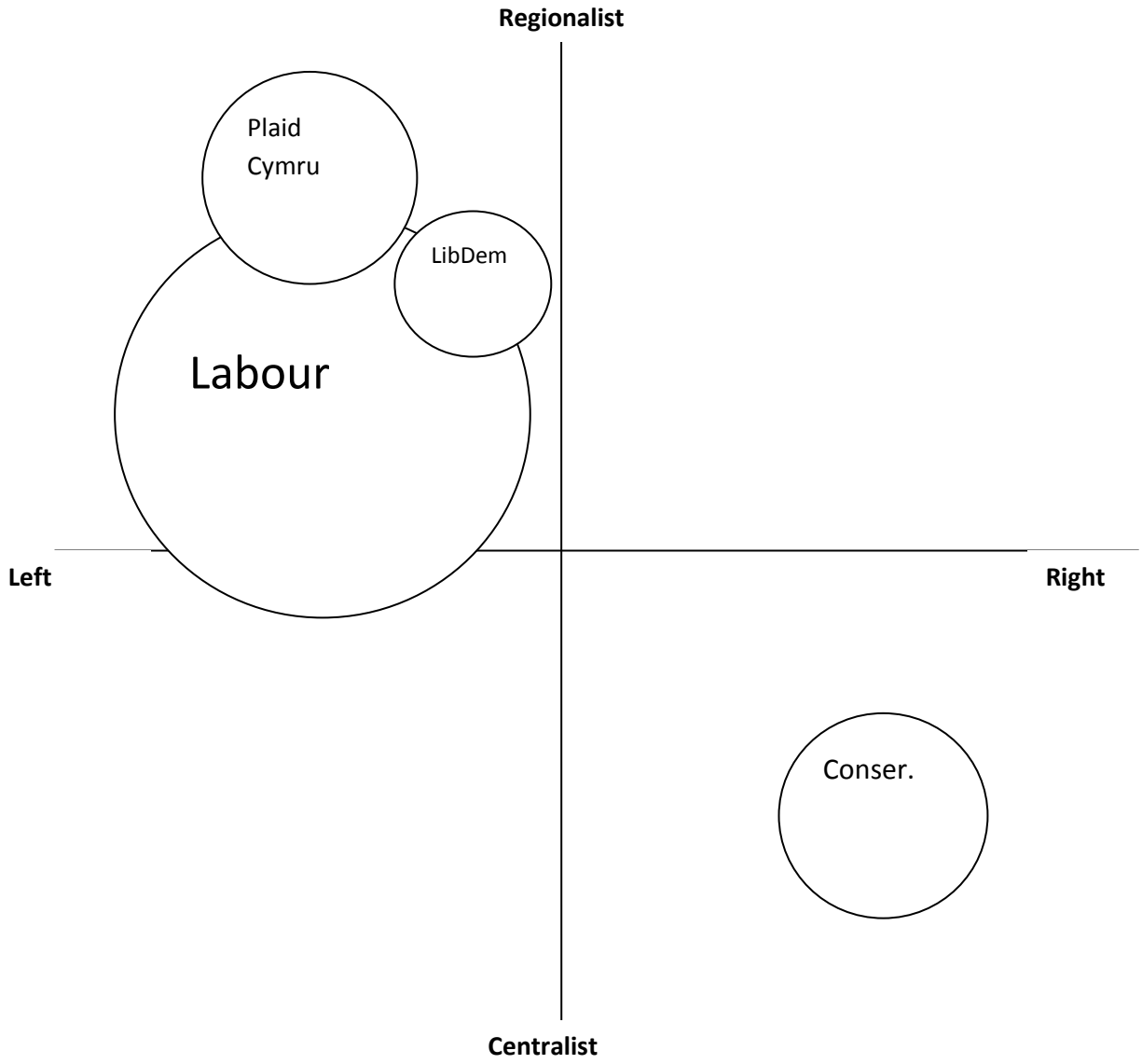
	1999	**2003**	**2007**	**2011**
Labour Party	28 (47%)	30 (50%)	26 (43%)	30 (50%)
Plaid Cymru	17 (28%)	12 (20%)	15 (25%)	11 (18%)
Liberal Democratic Party	6 (10%)	6 (10%)	6 (10%)	5 (8%)
Conservative Party	9 (15%)	11 (18%)	12 (20%)	14 (23%)
Independent/Other	---	1 (2%)	1 (2%)	---

Source: Electoral Commission http://www.electoralcommission.org.uk/

Overall, as shown in the two-dimensional map in Figure 10.1, the Welsh party system is also characterised by a social-democratic consensus in which centre-left political forces – the Labour Party, Plaid Cymru and the Liberal Democrats[80] – have constantly gained around 80 per cent of the total vote. As in the case of Scotland, in Wales the left-right cleavage overlaps with the centre-periphery one. Indeed the centre-right Conservative Party has been the party with the lowest level of support for devolution.

[80] According to Greer (2004: 144–145), Welsh Liberal Democrats 'are centre-left like Labour and have been devolutionist for over a century'.

Figure 10.1. Locating post-devolution Welsh parties on the two-dimensional political map combining left-right and centre-periphery cleavages



Since 1999 the Labour party has won all Welsh elections. It has ruled in minority governments or coalition governments (Table 10.3). From 2007 to 2011, it even formed a coalition with Plaid Cymru, which, unlike the SNP, adopted a less confrontational strategy of alliances on the left. Yet, although once in government Plaid Cymru's ministers have sought 'to portray an image of competence' (Elias, 2011: 66), the party did not seem to benefit from cooperation with the Labour party.

Indeed in the 2011 Welsh election, Plaid Cymru was usurped by the Conservative Party in its position as second largest party of Wales.

Table 10.3. Governments of Wales since 1999

First Minister	**Term of office**	**Parties in Government**
Alun Michael (LAB)	1999-2000	Labour (minority)
Rhodri Morgan (LAB)	2000-2003	Labour, LibDem
Rhodri Morgan (LAB)	2003-2007	Labour (minority)
Rhodri Morgan (LAB)	2007-2009	Labour, Plaid Cymru
Crawyn Jones (LAB)	2009-2011	Labour, Plaid Cymru
Crawyn Jones (LAB)	2011-	Labour (minority)

Additionally, it can also be noted that whereas in Scotland the SNP managed to become the largest political force at the sub-regional level (in the so called 'Unitary Authorities'), in Wales Plaid Cymru has controlled a much smaller share of local representation than the Labour party (Table 10.4). Thus, on the one hand, the SNP is in a good position to advance a distinctive model of social governance, which involves not only regional but also local authorities. On the other hand, in Wales it is the Labour party and not Plaid Cymru that, by controlling both regional and local levels of the administration, may aspire to play a central role in 'multi-level' welfare governance.

Table 10.4. Political composition of Scottish and Welsh 'Unitary Authorities' in 2014 (the largest percentage in each region is written in bold)

	Labour	SNP	Plaid Cymru	Conservative	LibDem	Other
Scotland	32.6%	**33.8%**	---	9.4%	5.7%	18.5%
Wales	**46.2%**	---	13.6%	8.4%	5.6%	26.2%

Source: These data have been collected by Keith Edkins and are available online at http://www.gwydir.demon.co.uk/uklocalgov/makeup.htm (date of access 11/08/2014).

Therefore, since devolution the Labour Party has clearly dominated Welsh politics. This has also occurred in a context of increasing autonomy of the Welsh Labour party from the central party leadership. Thus Welsh leaders have been able to play an important role in the formulation of Welsh-specific party policies and electoral programmes. Yet, that autonomy was strictly regulated and supervised by the London leadership in the years of Labour government in Westminster. Indeed, the Westminster government adopted 'a permissive attitude to policies pursued in Scotland and Wales *as long as they threaten[ed] no major political embarrassment*' (Laffin et al., 2007b: 100, italics added).

Whereas in Scotland there were significant tensions between central and regional leaders on the issue of free personal care for the elderly, in Wales such tensions did not emerge and coordination between Cardiff and London governments prevailed, since the distinctive policies promoted by the former could be integrated in Westminster legislation by the latter. This was also due to the institutional settings that did not give primary legislative powers to the Welsh Assembly, thus forcing the Welsh leadership to bargain and reach a compromise with the British government. Additionally, pressures for radical policy innovation coming from territorial movements were much stronger in Scotland than in Wales and this allowed the Welsh Labour to adopt a more moderate, gradual approach to sub-state welfare building.

Yet things changed in 2010, when a new centre-right government was formed in London and coordination between Welsh and British governments became increasingly difficult. As I show in the last part of this chapter, since then the political discourse of Welsh Labour became more aggressive and Welsh-focused. It also underlined the threat posed by the conservative central government to the Welsh social model. In this context, the Labour party, together with Plaid Cymru, started a political campaign to increase the policymaking powers of the Welsh Assembly that culminated in a new devolution referendum held in 2011.

Development of Welsh social policy since devolution: a moderate process of welfare and region building

Welsh labour politicians have had 'a positive incentive to favour policies that are to the left of England'. This is because, as shown in the previous section, in Wales there appears to be very little support for Conservative policies. Yet, although the party system of Wales 'promotes distinctiveness and a degree of leftism relative to England', it is combined with 'institutional and organizational weaknesses that make it risky to develop new policies' (Greer, 2004: 145). The lack of 'policy capacity' has made it more difficult for the Welsh devolved government to achieve 'a welfare improving policy mix' (Kay 2003). Generally, whereas in Scotland 'sub-state nationalism' and historical legacies were strong enough to lead to a process of significant institutional devolution, which gave primary legislative powers to the Scottish parliament, in Wales 'culturally focused' and weaker territorial mobilisation seems to have had a much less substantial influence on the process of institutional decentralisation in this region.

However, despite the weak autonomy granted to Wales, the Labour-led government has tried to introduce some important reforms in the Welsh social system. In the health care sector, for instance, the guiding themes of reform were

'new public health, localism, and trust in the public sector' (Greer, 2004: 156). In particular, the emphasis on the public sector and localism seems to reflect the social-democratic consensus that exists among the main political and social actors (as in Scotland). Rhodri Morgan, First Minister of Wales from 2000 to 2009, claimed that the actions of the Welsh Assembly owed 'more to the traditions of Titmuss, Tawney, Beveridge and Bevan than those of Hayek and Friedman'. He emphasised the importance of universalism, equality of outcomes and 'the individual as citizen rather than consumer'[81], a position that highlighted 'a tension with the more neo-liberal tendencies of New Labour' (Mooney and Williams, 2006: 617).

The National Health plan for Wales, *Improving Health in Wales*[82], was one of the first important political actions of the Welsh government and aimed to introduce a more community-based and public-based model of social governance. The sub-state dimension was seen as an opportunity to:

> [E]nsure that the relative under-development of primary care in Wales over the past 20 years will be reversed. There will be systematic investment in staff development, capital projects and organisational development. Reward systems will be put in place to attract the highest calibre professionals into the sector and to place a value on the continuity and the stability of the service. (p. 4)

Generally, the health reforms outlined a 'radical departure in the organization of health service' from the English model' (Osmond, 2001: 19). The Welsh government also introduced lower prescription charges than in England (Osmond, 2003: 28), thus confirming the willingness of the Welsh government to promote a more inclusive and universalistic social system.

The health reforms were accepted by British ministers and were incorporated within Westminster legislation. Yet, noticeably, opposition to the health sector

[81] Rhodri Morgan's 2002 speech to the University of Wales quoted in Mooney and Williams (2006: 617).

[82] http://www.wales.nhs.uk/publications/primcare_e.pdf (date of access 26/09/2014).

reform came from Welsh members of the British parliament, who were 'critical of a reorganization at a time of lengthening hospital waiting lists' (Laffin et al., 2007b: 100). Relationships between Labour MPs in Westminster and the Labour-controlled Welsh assembly 'became so poor at one stage that a joint group of Labour AM[83] and MPs was formed in 2004 to try to smooth out differences' (Deacon, 2006: 172). Additionally, as underlined by Greer (2004: 157), the lack of institutional capacity 'can undo the best intentioned reforms'. In particular, the idea to create a community-based health care system with the creation of county-level boards could not be fully implemented in the Welsh context, which lacked an autonomous administration comparable to the Scottish one.

As shown in Table 10.5, the Welsh health care system stands somewhat in between the Scottish and English ones. For instance, after devolution the organisation of health care in Scotland became highly integrated, with 'a uniform system of local partnerships with social services', whereas England 'has a more fragmented and diffuse pattern of relationships' (Birrell, 2009: 67). In Wales, the pursuit of integration has been slower, although in 2007 the Welsh Assembly Government recognised the need to strengthen cooperation within the health care system and between health and social care. Indeed, in the strategy document *Fulfilled lives, supportive communities*[84], the Government stated that:

> The evolving plans for reconfiguring health services to form inter-connected networks create new requirements for wide area collaboration in commissioning services. Similarly, in redesigning the management of chronic conditions there will be a greater need within localities to deliver more integrated care across health and social services. (p. 5).

[83] Members of the Welsh Assembly.

[84] http://wales.gov.uk/dhss/publications/socialcare/strategies/fulfilledlives/fulfilledlivese.pdf?lang=en (date of access 19/08/2014).

Also in the field of internal competition and purchaser/provider split, Scotland broke with the English pro-market system more quickly than Wales. In Wales local health boards could still commission services from NHS trusts although 'in practice commissioning was from the local trust, with little involvement of alternative providers and in reality no market choice existed for the majority of care' (Birrell, 2009: 59). Only in 2008, with the adoption of the *One Wales*[85] agenda, did the Assembly Government announce that it would 'move purposefully to end the internal market' (p. 9).

Table 10.5. Variation in health care governance across Wales, Scotland, and England

	Wales	**Scotland**	**England**
Health Configuration, integration of services	Towards a more integrated health system	Integrated health system	Not integrated health system
Commissioning/provider divide	Change to no divide	No divide	Divide

Source: Birrell, 2009: 59.

It should also be added that both Scotland and Wales tried to promote distinctive forms of citizen involvement in the governance of health care. Again, as shown in the previous chapter, the SNP government of Scotland adopted a radical strategy of direct election of local health boards, which, however, proved less successful than expected. The Welsh government led by the Labour Party has followed a more moderate path and decided to retain and further empower Community Health Councils (CHCs), which were abolished in England in 2003. CHCs were not directly elected but were formed of Local Authority representatives, nominees from local Third Sector bodies, and members appointed by the Minister in response to public adverts. In 2010 the number of CHCs was reduced but according to the *One Wales*

[85] http://www.wcva.org.uk/media/159290/volsectorscheme_eng.pdf (date of access 19/08/2014).

programme they would have a strengthened role in scrutinising both the planning and the delivery of health services (Birrell, 2009: 65).

Lacking primary legislative powers, the Welsh assembly could not introduce ambitious reforms like the one on free personal care promoted by the Scottish government. Yet, for instance, a 'Welsh voluntary sector scheme', which had a statutory basis in the Government of Wales act, was established and today it is claimed to be unique in the UK and 'probably in the world'. The aim of this scheme was 'to create a closer working relationship between the voluntary sector on equal footing with the local government and business sector' (Birrell, 2009: 48). This framework of cooperation was clearly inspired by the idea of 'plural' (but integrated) social governance supported by the Welsh Labour party in government.

In addition, the Welsh government has tried to promote and implement innovative policies in the field of early childhood education and care (ECEC). Even though Wales was bound by the same Treasury constraints as England and had weaker formal policy capacities than Scotland, it managed to implement important changes in the governance of ECEC. Prior to political devolution, Welsh ECEC provision 'was fairly typical of the UK in general' (Wincott, 2006: 295), and, therefore, reflected a more liberal idea of *targeting* the poor, rather than promoting universal rights. Since devolution, however, 'the Welsh Assembly government has made very successful use of its limited powers to redesign ECEC provision in radically innovative ways' (Ibid.). In particular, it introduced the Welsh Foundation Phase Curriculum, which aimed at recasting the relationship between preschool and the first three years of primary school and promoting a more homogeneous and universalistic approach to childcare. 'Integrated Children's Centres' were created and cooperation between different social and educational departments of the government was strengthened (Wincott, 2005: 82). However, given the lack of fiscal-policy tools, the Welsh administration mainly focused 'on the design and philosophy of ECEC' (ibid. 85). Moreover, whereas 'the Scottish Executive embarked on an ambitious,

large-scale and formal process', in Wales 'the "joining-up" of early-years policy had been informal (at least where it has been successful)' (ibid. 87).

As shown in the previous chapter, welfare generosity, expressed in social spending, has been lower in Wales than in Scotland. In fact, the data provided by Birrell (2009) suggest that the difference in spending between Scotland and Wales has increased from 1999 to 2006/2007. If in 1999, social spending in Scotland was 7.2 per cent higher than in Wales in the 2006/2007 biennium the difference almost reached 10 per cent. This may be explained not only by political decisions taken by the Scottish government, such as the establishment of universal and free elderly care, but also by Welsh institutional disadvantage. Scholars have underlined that in recent years Wales has suffered from what has been defined as the 'Barnett squeeze', that is, an inherent tendency of the UK-wide formula of public expenditure 'to bring spending per head in Wales ever closer to the average spending per head in England' (Dakeford 2012: 456). Data provided by Schmuecker and Adams (2005) seem to confirm this. As shown in Table 10.6, if we assign the score 100 to the UK spending average, in 1999-2000 Welsh identifiable public spending on services per head was 114 and it declined to 111 in just 6 years. On the contrary, Scottish spending remained stable at 118.

Table 10.6. Wales and the 'Barnett Squeeze'. Index of identifiable public expenditure on services per head in the devolved territories and England (UK= 100)

	1999-00	2000-01	2001-02	2002-03	2003-04	2005-05
Wales	**114**	**114**	**112**	**113**	**112**	**111**
Scotland	118	118	119	118	119	118
England	96	96	96	96	96	97

Source: Schmuecker and Adams (2005: 37)

After 2010: beyond coordination with London

In 2007, the Labour Party agreed to form a coalition with Plaid Cymru. In the coalition agreement, the *One Wales* agreement, it was established that a referendum would be called in 2011 to decide whether the Welsh Assembly would have full legislative powers. Initially, for many Welsh Labour MPs 'the referendum commitment was a bitter pill to swallow' (Wyn Jones and Scully, 2012: 77). However, 'Labour's defeat in the 2010 UK general election [...] strengthened the hand of Labour devolutionists' (ibid. 95). More powers to Wales meant that a Labour-led Welsh government did not need to reach consensus with a conservative government on important issues such as health care, social assistance and education. This was even more important in a period of austerity in which the Cameron government in London introduced significant cuts to the welfare system that would significantly affect Wales (Drakeford, 2012: 463). Therefore, in 2010 Labour support for further devolution in Wales became significantly stronger. This had a positive effect on the referendum outcome, which saw the 'yes' vote winning by a large margin (63.5 per cent), although turnout was quite low at 35 per cent.

Following this result, the National Assembly for Wales now enjoys primary legislative powers in policy areas such as health and social care. Additionally, in the 2011 Welsh election the Labour Party obtained the fourth consecutive victory and, controlling exactly half of the Assembly seats, it could form a new minority government. In the *Programme for Government*[86] published in 2011, the First Minister of Wales, Rt Hon Carwyn Jones stated that the New Labour Government would place particular 'emphasis on social, economic and environmental well-being for people and communities, embodying our values of fairness and social justice'.

[86] *Programme for Government* (2011) http://www.rifw.co.uk/downloads/110929fullen.pdf (date of access 23/08/2014).

Looking at the policies implemented in London, the Labour Programme *Delivering for Wales*[87] highlighted that:

> Wales has not faced the policy chaos that the Tory-Lib Dem UK Government is imposing on the NHS in England. There has been 'no pause' in health policy and our Welsh Labour Government remains focussed on providing the best possible NHS for the people of Wales. We ended the inefficiencies of the internal market in NHS Wales and unlike the Tories we will not privatise NHS services. The NHS is safe with Welsh Labour. Unlike England the commitment is to maintain the health AND social care budgets. In England the Tories have slashed the budgets of local councils meaning cuts in social care that will, in turn place additional pressures on the budget of the NHS. The lack of focus and growing financial pressure in England has resulted in waiting times coming under pressure. (p. 9).

One of the important legislative initiatives of the New Labour-led government of Wales in the post-referendum period was the *Social Services and Well-being Act*[88], which followed the White Paper *Sustainable Social Services for Wales: A Framework for Action*[89]. This document highlighted the importance of improving accountability and integration of social services. Again, the role played by local authorities and voluntary organisations was considered crucial. Indeed the following statement was included in the White Paper:

> We will support the wider development of the community leadership role of local government. We also see public health services playing a key role. We expect the full engagement of the third sector in the provision of community-based support

[87] *Delivering for Wales* can be found at http://www.welshlabour.org.uk/uploads/Delivering_for_Wales.pdf (date of access 23/08/2014).

[88] http://www.legislation.gov.uk/anaw/2014/4/contents/enacted

[89] http://wales.gov.uk/docs/dhss/publications/110216frameworken.pdf (date of access 23/08/2014).

services, particularly in the context of the development of social enterprises in Wales.

The *Social Services and Well-being Act* also provided a broad, integrated definition of well-being, which includes many aspects of an individual's life, from health to education and training, and from social care to working conditions. According to the Act:

"Well-being", in relation to a person, means well-being in relation to any of the following—
(a) physical and mental health and emotional well-being;
(b) protection from abuse and neglect;
(c) education, training and recreation;
(d) domestic, family and personal relationships;
(e) contribution made to society;
(f) securing rights and entitlements;
(g) social and economic well-being;
(h) suitability of living accommodation.

This is in line with the most current notions of welfare, which is not only seen as 'protection' from negative market externalities but also an as active, all-encompassing and 'enabling force' (Blunkett 2000) in a context of transforming economic systems.

Recent developments in Wales suggest that the local Labour leadership has strengthened its *Welsh focus* and has pushed for more policy-making autonomy and even more distinctive social policies. Wales is now ruled by a party that is in opposition at the statewide level and is faced with a conservative central government that is implementing austerity measures. After 13 years of coordination with the Labour-led government in Westminster, regional political elites have started developing more autonomous strategies and this could be the beginning of a more comprehensive process of welfare building at the sub-state level. At the same time,

the failure of territorial forces to reach levels of mobilisation and electoral support similar to those that can be found in Scotland (in 2011 Plaid Cymru was electorally defeated, while the SNP managed to win the absolute majority of seats in the Scottish Parliament) seems to rule out the possibility that policy divergence would be associated to a more radical campaign for independence from the UK.

COMPARATIVE CONCLUSIONS

Chapter 11

Comparative Conclusions

This study has shown that it is increasingly difficult to consider the welfare systems of decentralised European countries as territorially homogeneous. Countries such as Italy, Spain, and Great Britain have undergone a radical process of territorial reconfiguration in the governance of new social policies and this challenges mainstream welfare classifications that focus on the nation-state as the main (sometimes the only) level of analysis ('methodological nationalism'). The large amount of quantitative and qualitative data presented in the various chapters of this research point to the fact that regions have become important arenas of welfare building and restructuring. A consequence of this is the increasing territorial variation in the *level* and *type* of development of welfare systems. This is why it is important to look not only at statewide but also at sub-state political dynamics when studying the transformation of welfare systems in multi-level settings.

Territorial Mobilisation and Sub-State Welfare Development in Italy, Spain and Great Britain

The main finding of this study is that in Italy, Spain, and Great Britain territorial mobilisation has favoured the process of welfare-building at the sub-state level. Empirical evidence points to the fact that, in all three countries, regionalist and 'sub-state nationalist' parties have promoted the construction of region-specific social models *regardless of their ideological orientation*. Therefore, it can be argued that when social policy is subject to multi-level dynamics, the centre-periphery cleavage may significantly affect social policy making and implementation. Using a three-dimensional measure of welfare development that combines spending, legislation and implementation, it has been shown that the higher the level of territorial mobilisation, the more developed the sub-state system of social protection will be.

Yet the way in which territorial mobilisation has impacted on regional social policy has been different across the three countries examined. In Italy territorial parties have not had a very strong effect on the establishment of *formal institutional asymmetries* across regions. A *rigid, dual system* of 'ordinal' and 'special status' regions has been in place since the post-war period and it has been very difficult, if not impossible, for 'territorially mobilised' regions to directly participate in the bargaining process to decide their institutional status. Therefore, the *intervening effect* of formal asymmetries in regional autonomy on the development of regional welfare systems has been quite weak in Italy. Yet even in a context of constitutional *rigidity*, territorial movements have been able to use formally homogeneous regional powers in different, 'creative' ways. Thus an *ordinary status* region like Lombardy has been able to develop a stronger model of welfare than other ordinary status regions such as Piedmont, Liguria, or Latium. Significant differences in welfare development can also be noted across *special status* regions, with South Tyrol and the Aosta Valley having much higher levels of welfare development than other special status regions such as Friuli or Trento, not to mention Sicily and Sardinia. I define this as a *direct* effect of territorial mobilisation on sub-state welfare development, since it has occurred *regardless* of (or *controlling* for) formal differences in the level of (formal) fiscal and policy making autonomy across regions.

In Spain, institutional arrangements for regional authorities have been subject to moderate flexibility. Territorial movements may bargain the level of autonomy of individual regions directly with Madrid. However, the central government also created regional institutions where territorial demands were weak or totally absent in order to balance the demands for autonomy coming from the *historical regions*. Instead of a dual system like the Italian one, the Spanish system has therefore established a more heterogeneous set of autonomy options, which range from high fiscal policymaking and fiscal autonomy in the Basque Country to the more 'basic' levels of autonomy that can be found in Castile and Leon. In this context, territorial

mobilisation has had both direct and indirect effects on sub-state welfare development. Catalonia, for instance, despite not having significantly more powers than other 'ordinary' Autonomous Communities, has been much more active in the construction of a regional social system.

Lastly, Great Britain shows the most flexible system of institutional reconfiguration. In this context, the degree of regional autonomy strongly reflects levels of territorial mobilisation. Thus, differences in autonomy between the devolved governments of Scotland and Wales and the absence of regional institutions in England can be largely explained by variation in territorial demands, which are stronger in Scotland, weaker in Wales and almost completely absent in England. Consequently, differences in welfare development mainly derive from the *intervening effect* of formal institutional asymmetries. Scotland has had the highest level of welfare development, Wales has followed a more moderate and gradual path, whereas in England, the absence of legislating regional authorities has not allowed the emergence of a system of social governance that can be distinguished from the 'British' one.

Left-wing Mobilisation and Sub-State Welfare Development in Italy, Spain, and Great Britain

The other important finding of this study is that centre-left parties that primarily emerged from the political mobilisation of the 'class cleavage' have responded to the territorial challenge in different ways, depending on the role they have played in central government and on their relationship with territorial movements. Generally, the link between party competition and welfare development in multi-level settings seems much more complex than is argued by power resource theories, which emphasise the role of left-wing parties as the driving force of welfare building and describe centre-right forces as 'reactive' to left-wing mobilisation in their attempt to introduce social reforms.

In Italy the Left played a marginal role in central government for most of the post-war period, and even after the collapse of the Berlin Wall it has rarely been the dominant force in statewide policy making. In particular, the former Communist Party, which then underwent a process of moderation and social-democratisation, was 'forced' to focus on the regional level to advance its political project. The regions of the so called 'red belt' became the privileged arena for the development of social policies that were alternative or better developed than the ones promoted by the statewide dominant coalition led by the Christian Democrats. In particular, Emilia Romagna and Tuscany were considered by the Communist Party and its political successors as a laboratory of policy making and an example of good left-wing government. This occurred despite the fact that in such regions territorial mobilisation was relatively weak.

In Spain, on the other hand, the main party of the Spanish Left, the PSOE, became the dominant party in central government in the early 1980s. Since then it has been out of power only from 1996 to 2004 and from 2011. In this context, the PSOE, despite formally supporting regionalism, has sought to create a cross-territorial system of social protection. By controlling the central government, the PSOE has tried to limit excessive fragmentation in welfare governance, which could undermine territorial equality, and through its party structure has promoted a process of standardisation of sub-national welfare programmes. Particularly during the long government of González, centralising pressures within the organisation of the PSOE resulted in political actions that tended to place particular emphasis on territorial uniformity and integrity, thus balancing the calls for increasing autonomy and policy distinctiveness coming from territorial movements. Of course, in some cases (e.g. the Basque Country) the regional arena was used by the PSOE as an opportunity for policy experimentation. However, the party used its statewide organisation and its links between regional and central governments to 'disseminate' new regional

policies across the whole Spanish territory, thus favouring a process of territorial standardisation and convergence.

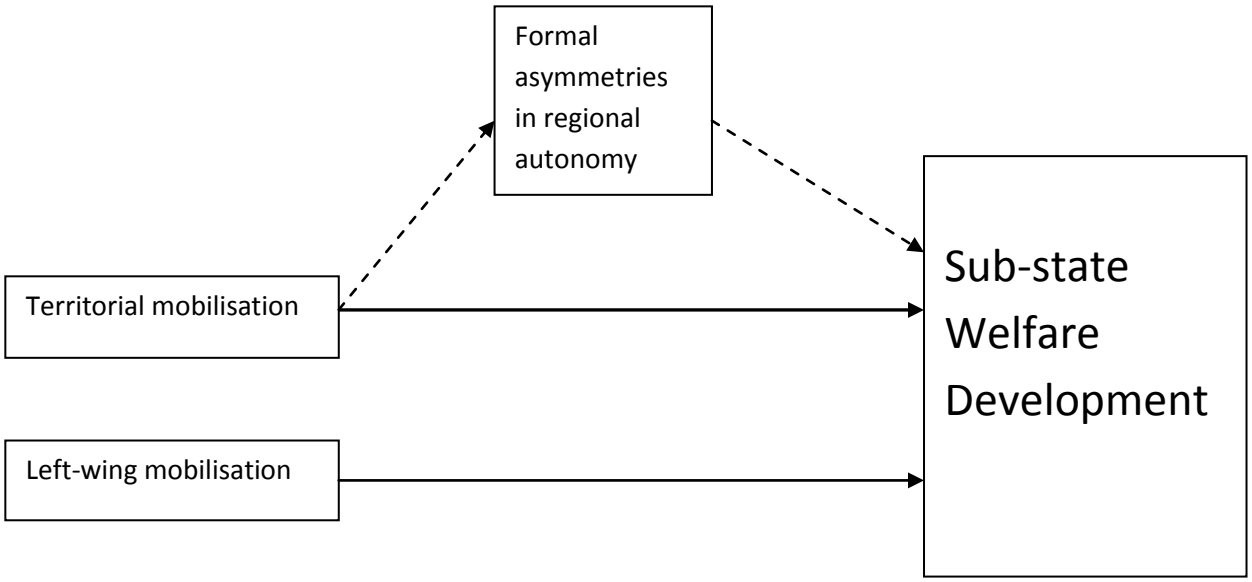
Finally, in Great Britain the Labour Party played a central role in the construction of a statewide welfare system in the post-war period. In the 1940s, 1950s and 1960s the Labour Party argued that nationalisation and centralisation were the main solutions to problems of inequality and poverty. Territorial issues were regarded as a threat to class solidarity and the peripheral regions of Great Britain could rely on centrally coordinated regional policies in their struggle against poverty. Yet in the 1970s the strengthening of regionalist parties in Scotland and Wales, two strongholds of the Left, forced Labour to reconsider its position on decentralisation and promote devolution reforms. The long period of conservative government in the 1980s and 1990s further strengthened the territorial orientation of the Labour Party. At the same time, territorial movements in Scotland and Wales moved to the left as a consequence of the hostility towards the centralist and neoliberal reforms of Thatcher, which negatively affected the peripheral regions of Great Britain. Moreover, the Scottish and Welsh movements realised that they needed to appeal to Labour voters in order to obtain a considerable and stable electoral success. Therefore, in Great Britain territorial and left-wing mobilisations moved in convergent directions and both contributed to the development of sub-state welfare models.

Summary of empirical results: the effects of territorial and left-wing mobilisation on the level of sub-state welfare development

Having analysed the effects of territorial and left-wing mobilisations on welfare development separately, it is now possible to provide an overall picture of the politics of sub-state welfare in the three countries analysed in this study.

In the Italian case the development of regional welfare systems has followed two parallel paths. On the one hand regionalist parties have been able to establish region-specific social models even in a context of rigid institutional asymmetries separating ordinary and special status regions. On the other hand, left-wing parties, excluded from or playing a marginal role in central government for most of the post-war period, have also used the regional dimension to promote alternative social policies. Figure 11.1 summarises the way territorial and left-wing mobilisations have impacted on regional welfare development. The strength of the relationship between variables is indicated by the thickness of the arrow.

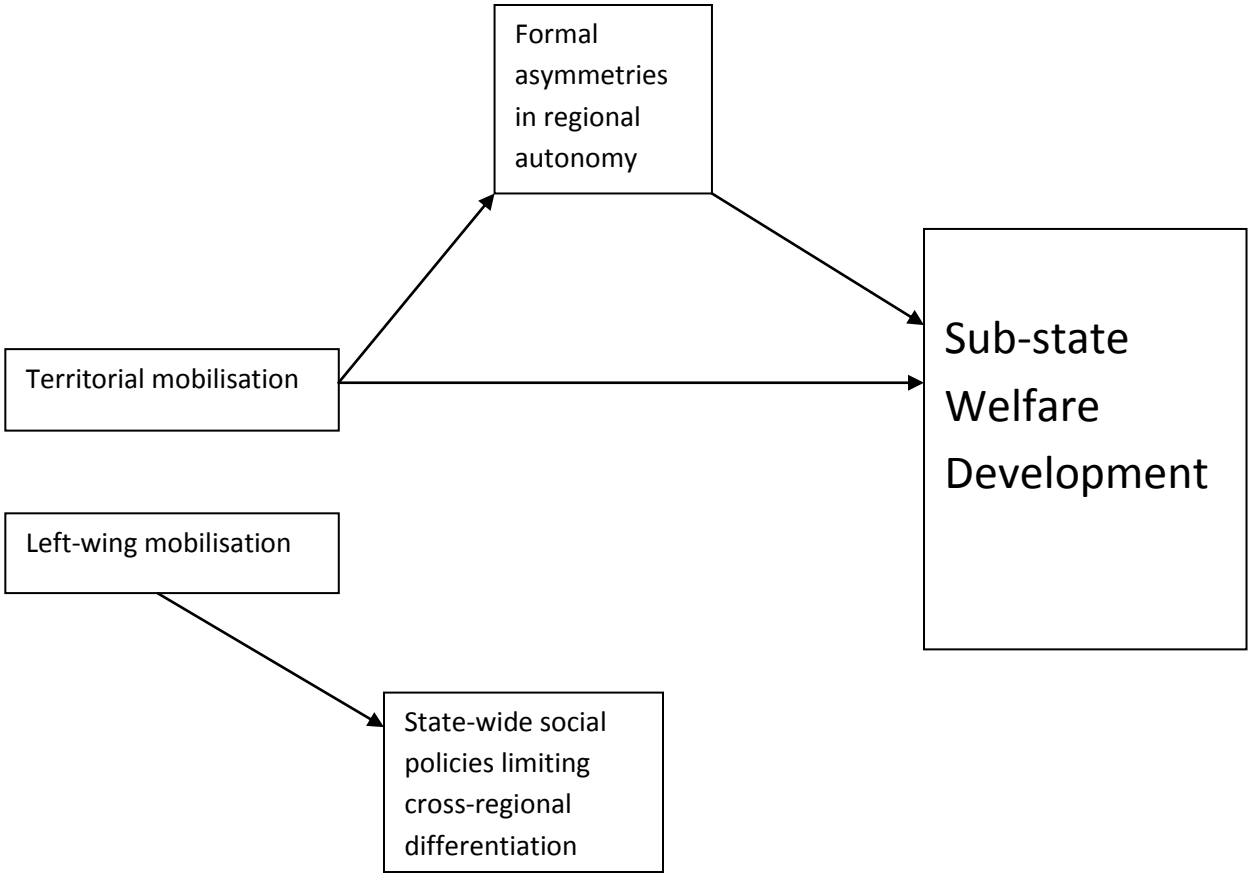
Figure 11.1 The development of sub-state welfare systems in Italy



In Spain regionalist parties were able to promote the development of region-specific welfare models both directly and indirectly through the establishment of formal institutional asymmetries, given the moderate flexibility of the constitutional framework regulating the relations between the centre and periphery. On the other hand, the Spanish Left dominated by the PSOE, which has been in central government for most of the time since the transition to democracy, has tried to limit

the emergence of 'strong' models of regional welfare that could compete with statewide welfare programmes and threaten uniformity in the provision of social services. The effect of territorial and left-wing mobilisation on regional welfare development in Spain is summarised in Figure 11.2.

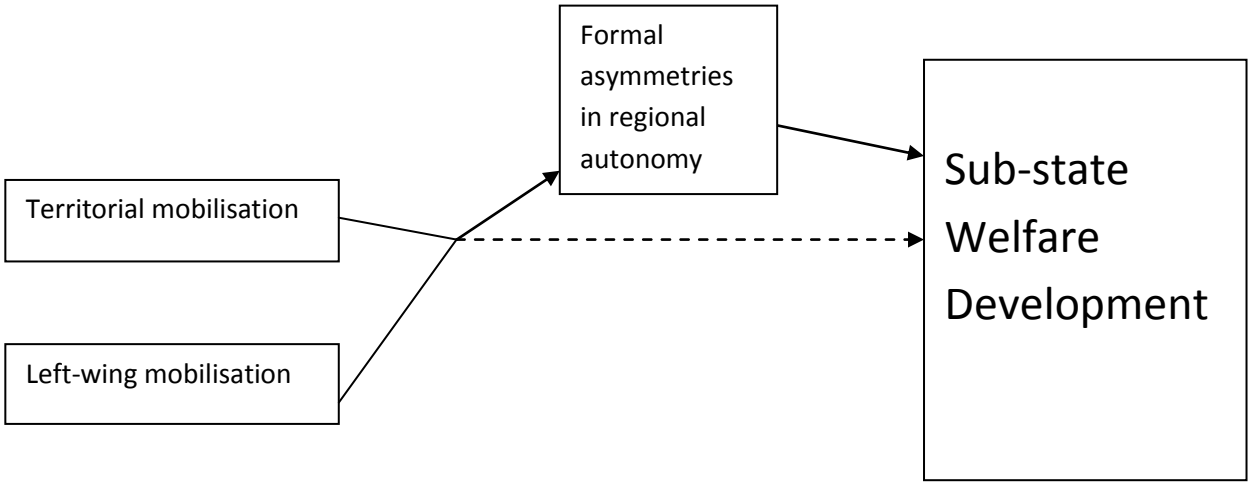
Figure 11.2. The development of sub-state welfare systems in Spain



Finally, in the case of Great Britain, the combination of territorial and left-wing mobilisations have resulted in the emergence of distinctive welfare models in Scotland and, to a lesser extent, Wales. Given the very flexible constitutional arrangements of the UK, this has mainly occurred through the promotion of formal

institutional asymmetries reflecting different levels of territorial mobilisation (Figure 11.3).

Figure 11.3. The development of regional welfare systems in Great Britain



Emerging Welfare Regimes at the Sub-State levels: a qualitative assessment of their distinctiveness

The analysis of sub-state welfare development can be performed in two steps. The first one, discussed above, focuses on the *level* of development of social policies at the sub-state level by considering the co-existence of three important dimensions of welfare development: *spending, legislation* and *implementation/delivery of services*. The second one is more *qualitative* and concerns the different forms that sub-state welfare development may take.

Once highly developed models of welfare have been detected, it is possible to study their characteristics and see to what extent they diverge from each other and from the statewide model of welfare. For instance, in the Italian case the model of welfare governance that emerged in the so-called 'Alpine' regions is different from the one developed in Lombardy. Both models are in turn very different from the

'Southern European' welfare model, a category that is often used to describe the Italian welfare system as a whole. The same can be said in the case of Catalonia and the Basque Country, which have followed distinctive trajectories of welfare development. This is because territorial movements do not act in a vacuum but their vision of social governance is influenced by the regional system in which they emerge and develop. In sum, they are part of a broader *policy community* and they establish different alliances with institutional, political and social actors.

The study of the Italian regions indicates the emergence of at least three models of welfare, which, despite being highly developed, integrated, and sustainable, are structured in significantly different ways and are based on different conceptions of social justice. The model that emerged in the 'Alpine' regions, such as South Tyrol and the Aosta Valley, can be defined as 'family-oriented' (rather than 'familistic'), paternalistic, generous, linked to the professional status of the beneficiaries, and mainly public-based. On the other hand the welfare model of Lombardy is more market-based and region-centric. In Lombardy, private actors are fully involved in the governance and provision of social and health care services and citizens are seen as 'customers' with full freedom of choice when selecting welfare providers. Finally, the *red* regions, governed by 'regionally-focused' centre-left parties, have promoted a more universalistic and public-based system, which also aims to involve municipalities and local authorities in a highly integrated system of social protection.

Significant differences can also be found when comparing Catalonia and the Basque Country. In both regions, centre-right and conservative territorial parties have been dominant in regional governance. Yet party system dynamics and different relationships with social actors have resulted in two distinctive models of welfare. The Catalan one, like the Lombard one, is more open to competition among providers and to the participation of private actors in welfare governance. On the other hand, the Basque Nationalist Party, unlike Convergence and Union, has

presented itself as a cross-class party, and has promoted the creation of Basque trade unions and established governing alliances with centre-left parties. This has resulted in a more public-based and universalistic system of social governance.

Finally, in Great Britain the devolved governments of Scotland and Wales have used their autonomy to create systems that diverged from the liberal model adopted in England. In both regions the main political and social actors can be located on the centre-left of the political spectrum and a *social democratic consensus* has therefore prevailed. However, due to higher levels of territorial mobilisation and decision-making autonomy, the effects of such consensus on social policies has been much more visible in Scotland than in Wales. The former region has promoted a system of health care and social assistance, which is integrated, public-based and community-based. This model is radically different from the more fragmented, competition-based and market-oriented system that has been adopted in the administration of English social services. The Scottish government has been able to pass advanced legislation, which sometimes went against the preferences of the London government. The most notable case is the one regarding universal elderly care, which was passed by the Labour government of Scotland in a context of increasing pressures coming from coalition allies and from the opposition of the Scottish National Party.

Table 11.1 provides a summary of the various typologies of *strong* welfare systems that have been analysed in this study and compares them to the statewide system of governance, on which the mainstream welfare literature has mainly focused.

Table 11.1. Summary of the types of 'strong' welfare systems that emerge in the regional cases analysed in this study

	Marketization/ Internal Competition	**Inclusion of social actors and municipalities in welfare governance**	**System of social stratification/underpinning values**	**Statewide model from which regional model diverges**
South Tyrol	Medium-low	Paternalistic system, Regional centralism	Traditional/ Family-oriented (not familialistic)	Southern European model: - Familialism - 'Residual' statism (limited state support, family main source of welfare) - Fragmentation and underdevelopment of social services - Clientelism
Lombardy	High	Regional centralism. Low involvement of social actors and municipalities in welfare governance.	Citizen-customer	
Tuscany	Low	Involvement of social actors in welfare governance (*concertazione*). Strong coordination with municipalities.	Universalistic	
Emilia Romagna	Low	Involvement of social actors in welfare governance. Strong coordination with municipalities. Strong involvement of 'third sector' actors. 'Institutionalised polycentrism'.	Universalistic	
Basque Country	Medium-Low	Trade Unions involved in welfare governance. More inclusion of lower levels of administration in social governance.	Universalistic	
Catalonia	High	Regional centralism (*antiprovincialismo*). Low involvement of trade unions and social actors in welfare governance. Third sector and voluntary organisations integrated in social system.	Citizen-customer (with some attention to the family)	
Scotland	Low	'Professionalism' and involvement of workers' representatives in welfare governance. Community-based model.	Universalistic	Liberal model: - Marketization and competition among providers - Means-tested services - Low integration of social policies
Wales	Low	Emphasis on role of voluntary sector and communities in welfare governance.	Universalistic	

The importance of history and policy legacies

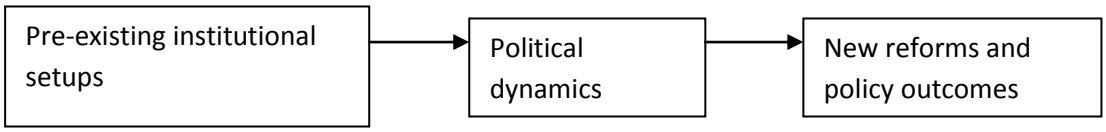
The empirical chapters of this study have mainly focused on the development of sub-national welfare systems in the last three decades. In the preliminary quantitative analyses presented in each country-specific part, both independent and dependent variables are average values that mainly refer to the period from 1980 to 2010. However, one cannot neglect the existence of policy legacies, institutional factors and historical traditions that precede the period analysed here and that might have affected political dynamics and more recent policy outcomes.

Already in the qualitative chapters, it has been underlined that regionalist parties and regional branches of statewide parties do not act in a vacuum but are part of a 'policy community' (Hall 1993). The policies that they promote are influenced by the alliances that they establish with other political/institutional, economic and social actors. Additionally, although less systematically, it has been shown that regionalist parties may embody historical traditions or rely on institutional legacies. For instance, in Catalonia, CiU has often referred to the traditional role played by religious and private organisations in the provision of social assistance and the new policies promoted by this party are inspired by this tradition. At the same time, the social, cultural and political legacy of the 'Alpine macro-region' was well represented by the regionalist parties of South Tyrol and Aosta Valley. Finally, to show the importance of institutional legacies, I have argued that Scotland can rely on more institutional resources than Wales, not only because it enjoys more formal autonomy in the post-devolution era, but also due to its historical status as an old independent kingdom, which, after the creation of the Union, remained a semi-autonomous centre of political power (at least until the 'centralising' phase in the post-war years).

Madama (2010) has argued that the level development of social assistance services (she did not consider health care policies) in Italian regions may be linked to pre-existing institutional setups influencing political dynamics, which in turn affect more recent processes of welfare building (Figure 11.4). Therefore, despite agreeing

with the statement that politics matters in the development of social policies (as this study does), she suggests that one should also look at the context in which political parties compete.

Figure 11.4.From pre-existing institutional setups to new policy outcomes



Source: Madama (2010: 206). Author's translation.

In particular, Madama has underlined the importance of policy legacies, operationalised as levels of social spending and coverage at the beginning of the process of regionalisation. Policy legacies are seen as an important contextual variable that shapes more recent dynamics of welfare politics. By relying on her *policy legacy* index (see Madama, 2010: 206), I present the results of a regression model based on the data already used in chapter 2 (Table 11.2). It can be seen that the policy legacy variable is quite important, having a standardized coefficient of 0.32. This means that more recent processes of sub-state welfare building are facilitated when highly developed networks of social assistance are already in place. Yet, even adding this new variable, the 'territorial mobilisation' (standardised) coefficient remains the largest one. The 'left-wing mobilisation' variable is still more important than other region-specific variables but its coefficient is smaller than in the previous analysis. This may be due to the stronger policy legacy of the Italian 'red' regions that, as highlighted by Ciarini (2012), dates back to the first experiments of 'municipal socialism' at the beginning of the 20th century.

Table 11.2. Adding the 'policy legacy' variable to the model explaining variation in welfare development across Italian regions.

	Model 1
	Standardised coefficient (β)
Policy Legacy	**.33**
Territorial mobilisation	.78
Left-wing mobilisation	.15
Institutional asymmetries	.04
Index of socio economic development	.11
Population ageing	.08
Population Size	.06
Female Employment	-.05
N	21
R-squared	.90

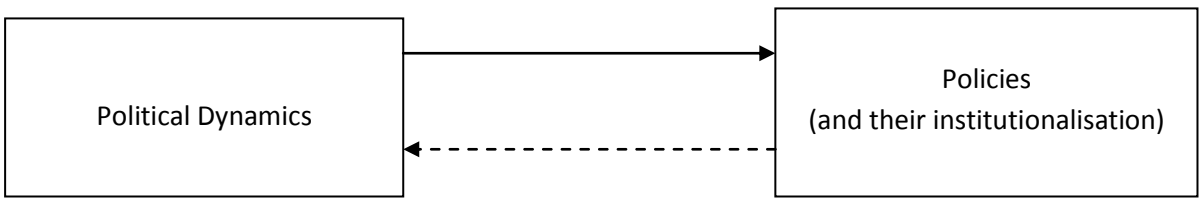
As in the previous quantitative analyses, because of the large number of independent variables and the relatively small number of cases (21), a more parsimonious model has been built by following a 'stepwise' procedure (also used by Madama[2010: 208]). Only the three independent variables having the strongest partial correlation with welfare development are left in Table 11.3. It can be noted that this reduced model has the same 'explanatory power' as the previous one (r-squared=0.9). Additionally, territorial mobilisation confirms its importance as the main determinant of welfare development in Italian regions, followed by the policy legacy variable, which replaces female employment (see Table 2.12), and by left-wing mobilisation.

Table 11.3. Parsimonious model including the three main independent variables

Variables	Standardised Coefficient (β)
Territorial mobilisation	0.77
Left-wing mobilisation	0.15
Policy Legacy	0.43
N	21
R-squared	0.9

When talking about the importance of the institutional context, one should also add that there might be a certain 'endogeneity' in the model proposed in this study. Indeed, the strength of regionalist parties may be a driving force in the creation of sub-state social programmes. At the same time, the structuring of region-specific social policies may in turn become and institutional variable, which, by reinforcing regional distinctiveness, contributes to the consolidation and expansion of support for regionalist parties (Figure 11.5). For instance, the existence of 'feedback effects' (Thelen, 1999) from 'institutionalised' policies to party politics is evident in the Scottish case, where the SNP has based its recent electoral successes on the set of distinctive social policies promoted and implemented during its governmental experience. Future studies and more elaborated statistical models should try to better investigate, and disentangle, the relationship between regional institutional variables (including formal asymmetries in levels of autonomy) and political dynamics.

Figure 11.5. From politics to policy and the 'feedback effect'



Territorial dynamics and welfare in other European countries

As already mentioned in the first chapter, welfare politics has been subject to territorial dynamics mainly in those countries that are characterised by 'taxation-based' heath care systems and have developed a *competitive* form of decentralisation (with high *self-rule* and low *shared-rule*). In other European countries the effect of territorial politics on welfare development has been mediated and limited by different welfare legacies (the 'path dependence' effect, which is also mentioned by Keating [2013: 153] in his study on policy variation at the regional level) and by an institutional framework that favours a more *cooperative* or *hierarchical* relationship between central and regional authorities.

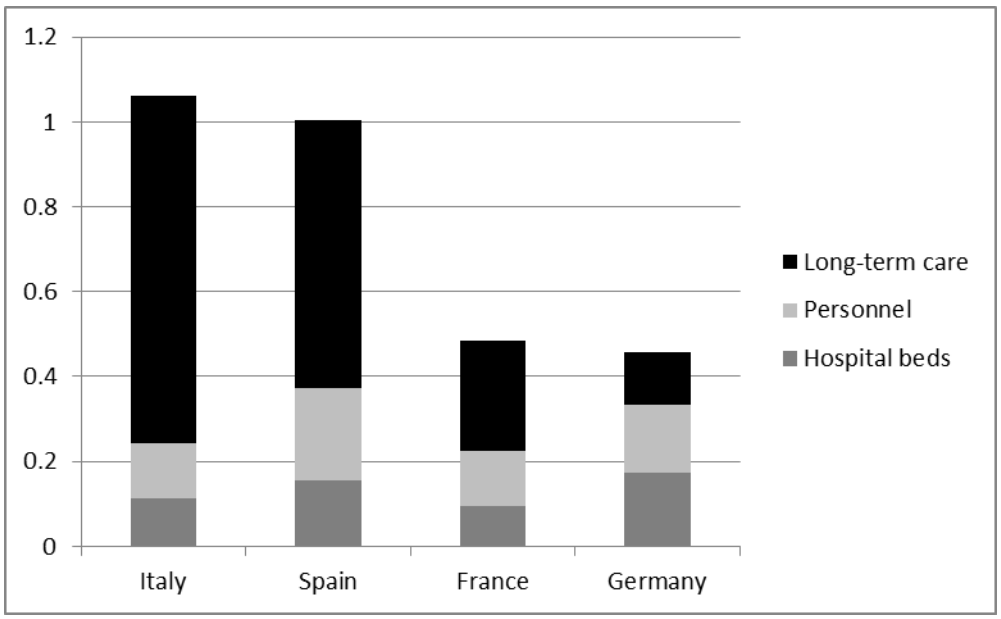
Germany is an interesting example of a *cooperative* federal system, in which regional authorities are encouraged to participate in a collective bargaining process with central government. These mechanisms of horizontal and vertical coordination seem to have led to a *standardisation* of welfare policy (Mathias 2005), even though cases of territorial mobilisation have not been totally absent, as the examples of Bavaria (Hepburn 2008) and East Germany (Hough and Koss 2011) show. Moreover, significant parts of the insurance-based health system of Germany, 'such as the quality standards and financing of medical service delivery [...] through social insurance, the main structures of professional governance and (partially) supervision of health insurance organizations, are determined at the national level' (Mätzke, 2013: 191). Of course, this does not mean that the government of the German *Länder* have no influence on some aspects of social policy. For instance, Turner (2011) has underlined that in the fields of childcare and family policy, changes in the composition of regional governments result in qualitative shifts in the types of policies promoted. This, however, does not necessarily imply that the German *Länder* have promoted the creation of distinctive and comprehensive welfare systems that might compete with or even aspire to replace the national one.

As underlined by Cole (2005: 85), in France 'the underpinning institutional variables are not conductive to territoriality'. Regions lack substantial powers and are subject to competition coming from the traditionally strong central government and from lower layers of government, such as the *départments* and the municipalities. Additionally, the structure of the French welfare system is based on the principle of social partnership, in which vertically organised employers' organisations and trade unions 'dominate the social funds (*caisses*) that manage the various branches of the welfare system' (ibid.). Even after the French government decided to create the *Agences Régionales de Santé* (ARS) in 2010, following a pro-decentralisation, multi-level rhetoric, the central state has been able to play a larger role than even before. As argued by Jones (2013: 225), the room for autonomy and innovation of regional agencies is so minimal, while vertical oversight is so strong, that this reform has greatly strengthened central control over health policymaking.

Generally, because of institutional characteristics and legacies of the welfare systems of France and Germany, it is not possible to detect significant effects of territorial politics on sub-state welfare development. Some empirical results suggest that variation in welfare provision in these two countries is lower than in Spain and Italy. Figure 11.6 shows that the sum of coefficients of variation[90] in long-term care, hospital personnel, and hospital beds is much higher in Italy and Spain than in France and Germany. Germany, despite being a federal system (albeit a cooperative one), shows overall levels of variation that are even lower than those of a highly centralised country like France.

[90] Coefficients of variation are calculated by dividing the standard deviation by the mean of each variable.

Figure 11.6. Sum of coefficient of variations in long-term care and hospital beds and health personnel in Italian, Spanish, French, and German regions



Source: Eurostat

Belgium is as another interesting case in Europe since it has experienced a substantial process of decentralisation, caused by the strengthening of territorial mobilisation at the sub-state level. At the same time, its welfare regime, based on the centrality of statewide social security and the existence of an insurance-based health care system, is more similar to the French and German ones.

Since the 1980s, Flemish territorial movements have challenged the status quo and have called for a 'federalisation of the Belgian social insurance system' (Béland and Lecours, 2008: 146). Yet, so far, such demands have not been satisfied and, surprisingly, the welfare state of Belgium is still relatively centralised. This may be due to the fact that, as already mentioned in the case of France and Germany, insurance-based health systems are less subject to territorial pressures. Moreover, although the political system of Belgium is split along linguistic lines (Flemish and Francophone), social partners have remained organised on a statewide basis and have opposed the demands of territorial movements for regional differentiation. This is mainly because they play an 'active role in managing the social insurance system' (Ibid.: 146). Additionally, whereas the Flemish political class is overwhelmingly in

favour of welfare decentralisation, Francophone parties have always exercised their 'veto power' over any reform. Thus, 'only the national (federal) entities are competent for *social insurance'* (in which health care is also included). Also in the case of *social aid,* 'the laws that grant minimum revenues remain federal while the communities are competent for granting complementary aids' (Dandoy and Baudewyns, 2005: 150). Beyers and Bursens (2011: 45) have underlined that central institutions in Belgium are quite 'sticky' in terms of social policy and, despite the emergence of a 'layered welfare state' (Cantillon et. Al, 2011), social policy at the sub-national level has remained mainly 'complementary'.

The three examples presented in this section show that although, after the crisis of Keynesianism, there has been a general demand for more regionally differentiated social systems, the responses to that demand have not been homogeneous across European countries. We have seen that in Italy, Spain, and Great Britain, territorial politics has significantly shaped welfare development and has even contributed to the fragmentation of social rights. On the other hand, France, Germany, and Belgium have all been able to preserve a more centralised and homogeneous system of social protection – despite showing different levels of sub-state territorial mobilisation. In France a consolidated tradition of centralism and vertically organised social partners could not be radically subverted by new multi-level dynamics, also due to the absence of significant territorial movements. Germany, despite being a federal country with important territorial cleavages (North-South, East-West), could rely on an institutional system that encouraged cooperation and coordination among the *Länder.* Lastly, in Belgium social partners and veto players in central government have shielded the statewide welfare system from the attacks coming from territorial movements, which have demanded more decentralisation of social policies. However, what these three countries really have in common is a welfare legacy in which the health care sector is controlled by (public and private) insurance agencies and social partners, rather than public institutions

(Costa Font and Greer, 2013; Maino and Pavolini, 2008). Being organised on a 'functional' rather than 'territorial' basis, the actors involved in the governance of insurance-based health systems have contributed to hindering the process of welfare territorialisation.

Regional welfare in an age of economic austerity

This thesis has mainly focused on the emergence and consolidation of sub-state welfare regimes that occurred at the end of the 20th century and beginning of the 21st century. Yet recent economic developments have challenged the role of regions as providers of social protection. Two opposing pressures have emerged in recent years. On the one hand, central governments facing increasing financial pressure and suffering from declining levels of systemic competitiveness have sought to re-centralise powers that were devolved in the 1990s and early 2000s. At the same time, territorial mobilisation and demands for autonomy or even independence have intensified, which is also a consequence of the increasing inability of central governments to effectively manage the economy and control public finances.

The case of Italy is quite emblematic. Indeed, the current political debate is focused on the possible reformulation of the 2001 constitutional reform, which devolved significant powers to regional governments. In a context of increasing fragmentation of services and policies and lack of coordination among regions, the Italian parliament and government are trying to establish a more cooperative framework of relations among regions and between regions and central government with the creation of a territorial Senate. Moreover, the government has sought to limit regional control over a series of policies that were devolved in the early 2000s and to promote a more harmonised system of regional spending.

At the same time, some data suggest that with the economic crisis the divergence between territorially mobilised regions and other Italian regions may have increased in a context of substantial cuts in central government transfers to the

regions (Lynch 2014; Bolgherini 2014). For instance, Table 11.4 shows that in the post-crisis period (2009-2012) per capita social spending[91] in those regions in which territorial movements control at least 10 per cent of the regional representation has increased at a much faster rate than in the other regions. Whereas in the pre-crisis period (2005-2008) per capita spending of territorially mobilised regions was on average 33 per cent higher than spending in the other regions, that difference has increased to 43 per cent in the post-crisis period, reaching the highest peak since the beginning of the time series in the late 1990s! The significance of these figures is even more evident when they are compared with spending differences between the poorer regions of the South and the wealthier regions located in central-northern Italy (Table 11.5). In this case, sub-state spending differences have remained stable in the post-crisis period. These preliminary, partial results seem to suggest that the effect of territorial mobilisation on sub-state development may have actually become stronger in a context of economic austerity and that regionalist parties have sought to exploit the difficulties experienced by national governments in order to further advance their projects of region building.

[91] Aggregate spending in health care, social assistance, housing, and employment policies.

Table 11.4. Regional welfare spending: comparing Italian regions with low levels of/no territorial mobilisation and regions with medium-high levels of territorial mobilisation before and after the economic crisis.

	1997-2000	Diff.	2001-2004	Diff.	2005-2008	Diff.	2009-2012	Diff.
low/no regional [92] mobilisation	1040	421 (40%)	1281	528 (41%)	1608	538 (33%)	1734	751 (43%)
medium-high regional mobilisation	1461		1809		2146		2485	

Source: Ministry of economic development http://www.dps.tesoro.it/cpt/cpt.asp

Table 11.5. Regional welfare spending: comparing southern Italian regions and central-northern regions before and after the economic crisis.

	1997-2000	Diff.	2001-2004	Diff.	2005-2008	Diff.	2009-2012	Diff.
Southern Regions	1091	332 (30%)	1298	326 (25%)	1571	308 (20%)	1770	346 (20%)
Central-northern Regions	1423		1624		1879		2116	

Source: Ministry of economic development http://www.dps.tesoro.it/cpt/cpt.asp

At the same time, it should be underlined that Italy's largest territorial movement, the Northern League, has undergone a radical process of organisational and ideological transformation in recent years, as a consequence of a leadership crisis and systemic political and economic changes. Today the territorial focus of this movement has shifted from the *sub-national* to the *supra-national* level. Indeed, the League is less and less a 'macro-regionalist party' mobilised against the *national centre* and is transforming into a 'national-populist' party mobilised against an

[92] Regions with low/no territorial mobilisation: Piedmont, Liguria, Emilia Romagna, Tuscany, Umbria, Marche, Latium, Abruzzi, Molise, Basilicata, Campania, Puglia, Sicily, Sardinia.

Regions with medium-high territorial mobilisation: the Aosta Valley, South Tyrol-Bolzano, Trento, Friuli Venetia Giulia, Lombardy, the Veneto.

emerging *European centre* and its policies. This may suggest a reconfiguration of the centre-periphery cleavage that, in the new European Union, is no longer confined predominantly to conflicts between regional and national/central actors but seems to increasingly characterise political dynamics in the European arena. This may contradict the findings of the Europeanisation literature that only a few years ago saw the possible emergence of more *functional*, *left-right*, rather than territorial, political competition at the EU level (Caramani 2011).

In the case of Spain, it has already been underlined that the current economic crisis has affected the autonomy of regions in the promotion of social schemes. At the same time, this seems to have increased the importance of institutional asymmetries in the way regions have responded to the crisis. Regions belonging to the 'common' fiscal regime have been under increasing pressure from the central government and have been forced to implement drastic cuts in welfare provision. As shown at the end of Chapter 6, the welfare systems of Catalonia and the Basque Country have been subject to different constraints. Indeed, on the one hand, the Basque Country has exploited its fiscal autonomy to maintain or further expand a regional network of social protection. On the other hand, Catalonia has been significantly hit by the crisis of Spanish finances and the CiU-led government has been forced to implement a systematic agenda of cuts in public expenditure, 'standing out as a champion of austerity measures that would be later introduced elsewhere' (Rico and Liñera, 2014: 260).

The increasing fiscal constraints imposed by the central government have weakened moderate pro-autonomy positions in Catalonia and, today, demands for full Catalan independence have become significantly stronger. The CiU, which in the past did not make the issue of secession a matter of debate, adopted an openly pro-independence platform by promoting referendums and participating in public demonstrations (Muñoz and Guinjoan 2013). The general feeling among Catalan territorial movements is that one of the wealthiest regions of Spain, which is also

characterised by strong cultural distinctiveness, has been exploited by the Madrid government and would be better off if it became a fully independent political entity. In sum, both socio-economic and, more traditional, cultural issues have been central in the recent pro-independence campaign.

Lastly, the austerity policies implemented by the British government and the end of the Labour government in Westminster (and in Scotland) have increased territorial tensions and pressures for policy divergence within Great Britain. The case of Scotland is quite emblematic, since the SNP-led government has used anti-austerity and pro-welfare arguments to promote its campaign for Scottish independence. Although independence was rejected by 55 per cent of Scottish voters, the NO campaign won thanks to promises of extensive institutional autonomy of Scotland within the United Kingdom. Generally, differences in welfare governance between Scotland and England have become even more evident in the post-2010 period and this seems to have had an effect on perceptions of Scottish distinctiveness and on the need to protect the Scottish model from English (or British) intervention, either through full independence or through further devolution. Even in Wales, a 'nation/region' characterised by more moderate levels of territorial mobilisation, the new economic and political circumstances have made the issue of sub-state welfare building more central in the political debate and have strengthened territorial factions within the Welsh Labour party.

Of course, in almost all European countries new parties and political movements have emerged and strengthened in the era of economic austerity. Such political forces, which mobilise against the political establishment and against European institutions, cannot be easily associated to the left-right and centre-periphery cleavages. Perhaps it is too early to study the effect of new political actors not only on sub-state welfare politics but also on welfare politics in general. The new political struggle over European governance may be regarded as a new step in the territorial reconfiguration of social rights, which, however, is difficult to assess at this

stage. The question is whether a new centre-periphery cleavage will emerge at the European level and whether this will result in the strengthening, stagnation, or full collapse of a European social dimension, which, so far, has struggled to emerge.

Conclusions and future implications

This study has pointed to a fundamental phenomenon emerging in contemporary democracies: the redefinition of the concept of social citizenship. Whereas in the 19th and most of the 20th century, social citizenship was shaped by processes of political *nationalisation, standardisation* and *state-building,* today it is increasingly subject to different processes that *transcend* the nation-state either at the sub-state or supra-state levels. This has become more evident in countries that have undergone significant processes of decentralisation and regionalisation. For many years welfare scholars neglected these new aspects of social governance and classified welfare regimes by considering the nation-state as the only level of analysis. This made sense in the case of studies like Esping-Andersen's seminal study on the 'the three words of Welfare Capitalism', which mainly referred to the period of emergence and structuring of national welfare regimes. In that period, even in decentralised and federal systems, processes of 'de-territorialisation' and standardisation of social protection occurred (Obinger et al. 2005). In the last few decades, however, opposite pressures have challenged the primacy of statewide institutions and actors as administrators and providers of welfare. Even though some countries, like France and Germany, seem to have resisted such pressures thanks to their institutional arrangements regulating the relationships between centre and periphery and among social partners, other countries have undergone radical processes of territorialisation.

Today it is difficult to detect similar patterns of social governance and visions of social justice across the regions of Spain, Italy and Great Britain. In a context of increasing centrality of service-oriented policies, the way health and social services are administered and provided by sub-state actors may have a significant effect on social equality and citizens' well-being. A phenomenon of *disaggregation* of territorial

solidarity seems to have occurred in these countries and, taken to the extreme, this has even undermined political unity and strengthened secession demands. In this context, the importance of territorial mobilisation as a driver of welfare development and differentiation in multi-level settings has significantly increased. Those regions in which identity and territorial solidarity prevail may have an advantage when they are left alone to deal with new needs and social problems.

At the same time, this study suggests that left-right politics may still play a role in welfare building, although this role is less central than suggested by *classic, power-resource* theories. Of course, regions may become new arenas for social democracy and the extension of social rights in a context of welfare retrenchment occurring at the statewide level. This is particularly true in those contexts in which centre-left parties are systematically excluded from or play a marginal role in national government. At the same time, principles of territorial equality, uniformity of social protection and cross-territorial solidarity, which inspired class mobilisation, may be seriously challenged by multi-level dynamics. Thus, decentralisation may be at the same time an opportunity and, like globalisation and supra-national phenomena, a challenge to the policies promoted by centre-left parties.

In the 1990s the regional dimension started to be considered as a possible alternative to the nation-state in a context of the increasing inability of national governments to respond to global challenges and promote cross-territorial redistribution. The question is whether the current crisis has undermined or reinforced the role that regions came to assume at the turn of the 21st century. One may wonder whether some regions have been able to build social systems that are sustainable and can resist the pressures exerted by national and supranational actors. At the same time, it would be interesting to see whether the idea of a 'Europe of Regions' promoted at the end of the 20th century is still considered as a viable option in a European Union threatened by nationalisms, populisms and economic stagnation.

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